British Columbia Industry Review 1984

Ministry of Industry and Small Business Development

THE HONOURABLE BOB McCLELLAND, MINISTER

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BRITISH COLUMBIA INDUSTRY REVIEW

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Summary

Overview

- The British Columbia economy turned in a mixed performance during 1984, with signs of recovery in pulp and paper, coal mining, energy, transportation, tourism, agriculture and fisheries being offset by a continuing slowdown in other areas.

- Export volumes increased due to higher shipments of pulp and paper, energy and coal, but demand conditions in overseas markets were generally weak.

- With the completion of the massive North East Coal Development towards the end of 1983, construction activity declined. Work continued on a number of major projects, however, and construction started on Canadian Pacific's Rogers Pass Project, forging a new rail line through the Rockies. An important focus of private sector investment was enhancing the efficiency of existing plant rather than adding to capacity.

- Housing construction was down from 1983, when the pace of housing starts had risen to unsustainable levels during the first half of the year.

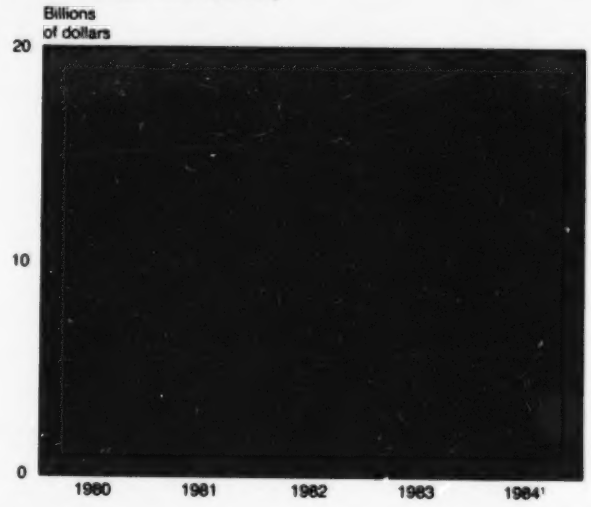
- Rising interest rates during the first half of the year had a moderating effect on consumer demand, which remained at about the same level as in 1983.

- The generalised decline in interest rates which occurred during the latter half of 1984 continued, with a brief interruption, during the first half of 1985. Further easing of interest rate levels would normally provide important stimulus for domestic demand, but economic growth in the United States is expected to slow down in 1985/86 because of external trade problems, and could largely offset the beneficial effects of lower interest rates on the British Columbia economy.

The British Columbia economy turned in a mixed performance during 1984. Compared with the previous year, improved operating conditions were recorded for the pulp and paper, energy, coal mining, transportation, tourism, agricultural and commercial fishing industries, while lumber production, despite some softening of prices and a prolonged work stoppage during the first quarter, surpassed the previous year's level.

These signs of strength were offset, however, by continuing weakness in metal mining, construction, and consumer oriented industries in the manufacturing, retail trade and service sectors. Overall, the current dollar value of economic production is estimated to have kept pace with inflation, remaining at approximately the same level in constant dollar terms as in 1983.

British Columbia
Gross Domestic Product
(Constant 1971 dollars)

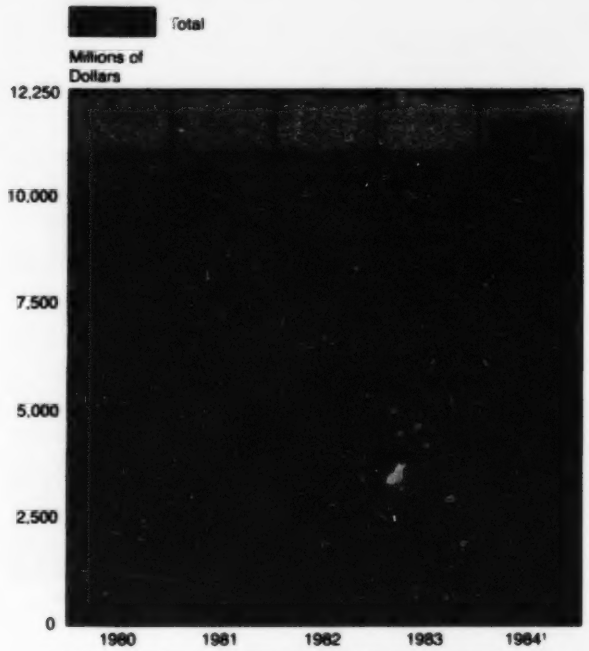


Year-to-Year Change in British Columbia
Gross Domestic Product

Source: British Columbia Economic Accounts
¹Estimate

Exports of British Columbia products increased in value by over 17 per cent. Much of this increase resulted from the strength of coal, forest product and aluminum exports. The growth in British Columbia's coal exports was associated with the completion of the North East Coal Development, which came on stream late in 1983. British Columbia coal production, a major export earner, mostly destined for Japanese markets, increased by an estimated 87 per cent in value during 1984. In addition, pulp and paper exports were significantly higher than in 1983, as U.S. demand rebounded, while aluminum exports to the U.S. and Japanese markets increased by almost 50 per cent.

Exports of British Columbia Products by Country of Destination



Source: Ministry of Industry and Small Business Development
¹Estimate

With the completion of the massive North East Coal Development, involving concurrent construction of two mines, a new townsite, transportation links, and port facilities in the northern part of the Province, construction activity declined. Significant stimulus was provided by the interlocking Expo 86, B.C. Place, and Canada Place developments, as well as the construction of the Advanced Light Rapid Transit system for Vancouver. In addition, the start of construction by Canadian Pacific on the Rogers Pass Project, forging a new rail line through the Rockies, helped sustain the level of construction activity. The existence, however, of significant amounts of industrial plant operating below capacity levels provided little incentive for new investment by the private sector, pending a resumption of more buoyant conditions in world markets. Much of the private sector investment occurring during the course of the year was undertaken to enhance the efficiency, rather than the capacity, of existing plants, and this trend may be expected to continue, particularly in mature industries seeking to maintain their competitive position in world markets.

Residential construction also registered a decline during 1984, reflecting a return to levels more in line with those of previous years, following the phasing out of federal and provincial government incentive programs at the end of 1982 and in 1983. Increased vacancy rates for rental accommodation, together with rising mortgage rates during the first half of the year, tended to depress the level of house construction activity during 1984.

The rise in interest rates during the first half of the year had a moderating effect on consumer demand, which exhibited little real growth during 1984. There was some evidence, however, of a restoration of consumer confidence, as new car sales rose by some 18 per cent from the previous year, while tourism revenues also increased significantly.

Most sectors of the British Columbia economy were experiencing modest improvement in the early part of 1985, as the economy appeared to enter a consolidation phase. Key factors for continuing recovery will be the demand for British Columbia's resource-based products in world markets, and the future course of interest rates.

After two years of strong growth, the U.S. economy was returning to a more normal growth path in the latter part of 1984. A somewhat less buoyant U.S. economic performance is anticipated for 1985, having a moderating effect on U.S. and Canadian interest rates and export-led growth in British Columbia.

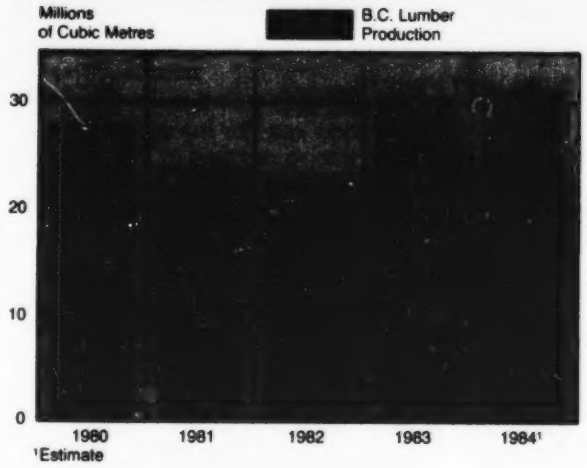
Further declines in interest rates could provide important stimulus for consumer demand in Canada and the U.S., and serve to sustain the pace of economic activity. However, the high value of the U.S. dollar has led to external trade problems in that country which have, in turn, caused a greater weakening of economic growth than expected, and could largely offset the beneficial effects of lower interest rates on the British Columbia economy.

Forestry

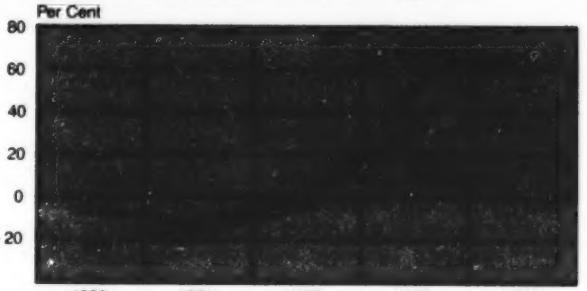
Overview

- ☐ The volume of timber scaled (harvested) during 1984 amounted to 74.6 million cubic metres, some 5 per cent higher than for 1983.
- ☐ The volume of lumber produced reached a record level of 30,861 thousand cubic metres.
- ☐ Prices on world lumber markets for spruce, pine and fir (SPF) declined from the peak of U.S. $243 per thousand board feet in May 1983 to a range of between U.S. $130 and U.S. $160 during 1984.
- ☐ Pulp and paper markets were relatively buoyant during 1984, the value of shipments registering a slight increase in spite of a prolonged work stoppage early in the year.
- ☐ Plywood producers faced continuing soft market conditions as a result of the sluggish Canadian housing market and the availability of lower cost substitutes, causing a number of firms in British Columbia to cease production during 1984.
- ☐ Segments of the American sawmill industry continued to lobby the U.S. government during 1984 to limit the import of softwood lumber from Canada. The investigation by the U.S. International Trade Commission concluded in late 1983 that there was no basis for allegations of unfair trading practices by Canadian lumber exporters. Nevertheless, pressures continued to be felt from some U.S. producers seeking the imposition of protectionist measures.

British Columbia Lumber Production



Year-to-Year Change in British Columbia Lumber Production and U.S. Housing Starts



Sources: Statistics Canada
DRI
¹Estimate

Wood Industry

With U.S. housing starts running at a relatively high annual rate of 1.8 million units, the volume of lumber produced in 1984 reached a record level of 30,861 thousand cubic metres. There was a significant drop in lumber prices, however, which declined from the peak of U.S. $243 per thousand board feet for spruce, pine and fir (SPF) in May, 1983, to a range of between U.S. $130 to U.S. $160, where it remained throughout the year.

This poor price response, despite the strong level of U.S. demand by historical standards, was largely attributed to increases in supply, both in Canada and the U.S. south. Increased production by North American sawmill operators was associated with a number of factors, including the need to maintain cash flow, in spite of declining price levels; pressures for integrated producers, particularly in eastern Canada and the U.S. south, to ensure an adequate supply of wood chips (which are normally a by-product of lumber production) for conversion into pulp; and productivity improvements increasing the efficiency of existing plants.

In 1984, British Columbia plywood production dropped by some 12 per cent from 1983 to 1,552,000 cubic metres (three-eighths basis). The decline was in line with a reduction in Canadian housing starts, which are the principal market for British Columbia plywood. In addition, the serious erosion in plywood markets by competition from lower-priced reconstituted boards, which has been a problem for plywood producers in recent years, caused the closure of a number of coastal mills during 1984. The near-term outlook is for further inroads by reconstituted board into traditional plywood markets.

During 1984, capital and repair expenditures in the wood industry are estimated to have risen 24 per cent from the previous year to $407.4 million. The increase in capital outlays reflected significant mill upgrading, enhancing the efficiency and ability of British Columbia producers to compete in the international marketplace.

Pulp and Paper

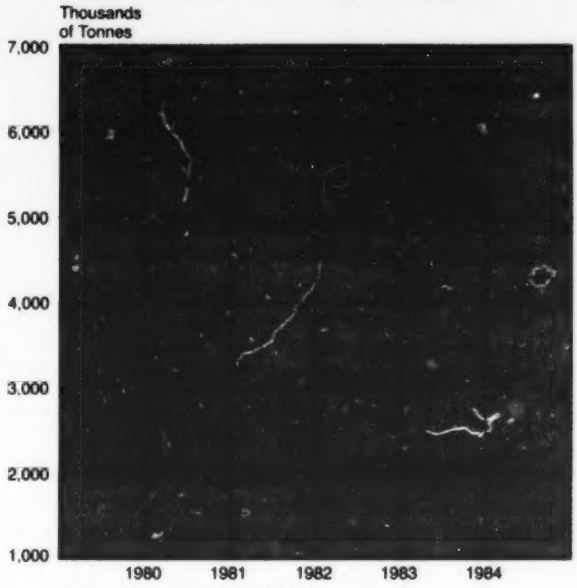
It was a relatively good year for the pulp and paper industry. There was strong demand in British Columbia's traditional U.S. markets for market kraft pulp and newsprint, with prices rising to U.S. $545 per tonne for bleached kraft pulp and U.S. $535 per tonne for newsprint.

In British Columbia, however, a serious loss of production resulted from a 10-week work stoppage in February and March. Production of pulp and paper during 1984 declined by some 7 per cent and 3 per cent respectively compared with 1983, but higher prices caused the value of production actually to increase slightly. Following the resumption of operations, buoyant demand conditions pushed the operating rate to some 95 per cent of capacity.

Prices and production rose in response to market conditions, with a concomitant impact on the financial picture of the pulp and paper industry. The improvement in the financial position of the industry was accompanied by an increase in capital and repair expenditures, which are estimated to have risen by some 45 per cent compared with 1983, to $443.5 million.

The prospect of excess newsprint capacity, which had been a concern a year earlier, did not materialize, due to the closure of a number of older newsprint mills in North America. However, there were signs of softening in the pulp market towards the end of 1984, reflected in downtime taken by several major pulp producers in the Province over the Christmas period. In addition, concern remained that, over the longer term, pulp prices would be subjected to downward pressure with several new pulp mills coming into production in Europe and North America, with a combined capacity of more than one million tonnes.

British Columbia Pulp and Paper Production



Source: Statistics Canada, 36-204

Pressure was building towards the end of 1984 for an increase of U.S. $35 per tonne in the bellweather North American East Coast price of newsprint from a level of U.S. $535 per tonne. The scheduled price increase failed to materialize, however, as market conditions were less bullish than anticipated, and the continued appreciation of the U.S. dollar exerted downward pressure on import prices in the United States.

During the course of the year, negotiations took place between Canada and the European Economic Community over reductions in the level of tariff-free newsprint imports allowed into the Community. A special panel was appointed under the authority of the General Agreement on Tariffs and Trade, which conducted an examination of the issues and submitted its report towards year-end. Shortly thereafter, an agreement was reached permitting a tariff-free quota of 600,000 tonnes per year for Canadian newsprint entering the E.E.C.

Mining and Metal Refining

Overview

- ☐ Coal shipments in British Columbia increased by some 80 per cent during 1984. The majority of the increase was due to new production from coal mines in the northeast of the Province, which came on stream late in 1983.
- ☐ Low metal prices were the main factor contributing to a lower-than-anticipated value of mineral production in 1984.
- ☐ During 1984, production of aluminum and refined lead and zinc were near capacity levels.
- ☐ Exploration activity was down from the previous year, but was still significant for the development of precious metal properties throughout the Province.

Coal Mining

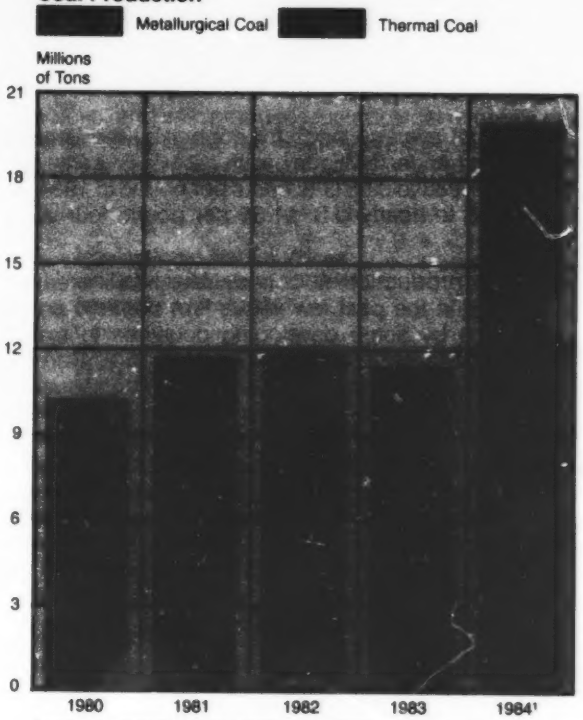
Shipments of coal from British Columbia mines are estimated to have increased by more than 80 per cent to 21 million tonnes during 1984. The value of shipments also increased, rising by some 64 per cent to $914 million.

It was the first full year of production for the Quintette and Bullmoose mines in northeastern British Columbia, and for metallurgical coal production by the Line Creek and Greenhills mines in the southeast. With most of the increase in production destined for Japan, the share of the Japanese import metallurgical coal market supplied by Canada increased from 17 per cent in 1983 to approximately 25 per cent in 1984, a preponderant share of the increase in Canadian shipments coming from British Columbia.

Coal markets continued to display softness during 1984, registering slight price declines following the severe downturns occurring during 1983. There is reason to believe, however, that the worst of the market weakness is over. In general, prices were higher for new mine production than for established suppliers of metallurgical coal.

During the course of the year, Gulf Canada Resources filed a prospectus with the Province concerning its proposal for the development of the Mt. Klappan property in the northwestern part of the Province. (Filing of a prospectus is the initial stage in the approval process required for development of a mineral property in British Columbia.) Mt. Klappan is the source of high quality anthracite coal, which is not produced elsewhere in British Columbia, and therefore offers the potential for market diversification for British Columbia's coal mining

British Columbia Coal Production



Source: Ministry of Energy, Mines and Petroleum Resources
¹Estimate

industry, both in product and geographic terms. The planned initial output for the mine is 1.5 million tonnes per year; small amounts will be mined in 1985, during the pre-production period, to provide test samples and establish markets.

In addition, the Wolf Mountain underground thermal coal mine, near Nanaimo, delivered small amounts of coal on a trial basis during 1984 in order to establish markets leading to ongoing operations at this property.

Coal production in British Columbia is expected to experience continued growth during 1985, as steel markets improve and recently-opened mines reach their planned production capacities.

Metal Mining

Depressed world metal prices continued to have an adverse effect on the Province's metal mining industry during 1984.

Copper, by far the Province's most important metal in terms of value of production, was particularly hard hit by continuing low prices. During the year, the value of copper production declined 8 per cent to $515 million, even though output, at 288.6 million kilograms, was 2 percent higher than in 1983.

Internationally, both supply and demand of refined copper have shown increases in the last few years. However, supply has generally outpaced demand as primarily Third World producers such as Chile and Peru have stepped up production to meet growing foreign exchange requirements.

The annual average price for copper on the London Metal Exchange (LME) fell from 72.1 U.S. cents per pound in 1983 to 62.5 U.S. cents per pound in 1984, as compared to nearly U.S. $1.35 per pound four years ago.

Although production of concentrate has increased worldwide in the past few years, firm demand and a preference by some developing countries to export refined copper rather than concentrate has resulted in a shortage of copper concentrate. In order to ensure an ample supply of feed for their smelting and refining operations, smelters and refineries reduced the treatment and refining charges paid by concentrate producers. These lower charges have tended to buffer concentrate producers from recent copper price declines. For some British Columbia mines, however, these reduced costs in 1984 did not totally outweigh the lower copper prices, and four copper mines closed with a temporary loss of some 1200 jobs.

Responding to a strong improvement in demand in 1984, British Columbia molybdenum production increased 6 per cent to 10.8 million kilograms from 10.2 million kilograms in 1983. Increased production, combined with some improvement in concentrate prices during the year, served to raise the value of molybdenum production in British Columbia to $108 million, which was 23 per cent higher than in 1983.

The outlook for molybdenum, like copper, is for continued excess world capacity, and profitable operating conditions only for the lowest cost mines. The near-term prospects for British Columbia molybdenum mines, therefore, are not promising.

Precious metal prices declined significantly in 1984 largely as a result of declining investment demand for both gold and silver. As investment mediums, precious metals have been adversely affected by a number of factors, but principally by the soaring U.S. dollar, high real rates of interest, and relatively low rates of inflation in most industrialized countries. As a result, there was a massive switch of investment funds during 1984 from precious metals to dollar denominated assets. During the year, gold prices fell from a peak of U.S. $404 per troy ounce in March to a low of U.S. $319 per troy ounce in December. For the year as a whole, the price of gold averaged U.S. $360, well below the 1983 average of U.S. $424. Echoing the movements in gold prices, the annual average price of silver fell from U.S. $11.44 in 1983 to U.S. $8.14 in 1984.

In response to both lower precious metal prices and a reduction in overall base metal mining to which much precious metal production is tied, British Columbia production of gold and silver declined by 5 per cent and 12 per cent respectively in 1984. Lower production, combined with lower prices, contributed to a 9 per cent reduction during the year in the value of gold produced to $119 million, and a 32 per cent reduction in the value of silver produced to $122 million. Lower prices and an uncertain outlook also led to a reduction in staking activity, the number of units staked falling by an estimated 20 per cent. Activity continued, however, on previously staked claims.

Zinc prices averaged roughly U.S. $0.35 per pound on the LME in 1983, and roughly U.S. $0.40 per pound in 1984. Prices in 1985 are expected to appreciate further as increased demand and new uses for the metal are realized. Production declined slightly to 92.6 million kilograms, but this reduction was more than offset by an improvement in zinc prices. The value of zinc production amounted to $113 milion, an increase of more than 40 per cent.

The lead market in 1984 was characterized by prolonged labour disputes at major lead mines in the United States and Australia. Reflecting the tightness of primary lead supply, average annual prices showed a year-over-year increase for the first time since 1979. Average LME cash prices rose 4 per cent in 1984 to 20.1 U.S. cents per pound from 19.3 U.S. cents per pound in 1983. For British Columbia producers, the modest increase in lead prices failed to compensate for lower production levels, and the 1984 value of production declined by 23 per cent to $37.4 million.

The two major lead/zinc mines in the province were fully operational during 1984, and are expected to maintain or increase concentrate output during 1985. In addition, Westmin Resources expects to complete its mine and mill expansion project on Vancouver Island in 1985, and to commence production during the course of the year.

Although metal prices were generally low, exploration work continued throughout the Province, with the focus on gold and silver. Exploration for other minerals also took place, including feasibility work by Eaglet Mines on its Quesnel Lake fluorspar property, which is expected to come into production later in the decade. In addition, Sumac Mines and Esso Minerals continued feasibility work in the northwestern part of the province on their Kutcho Creek zinc/copper/silver project. In the far north, exploratory and pre-feasibility work continued on a promising silver property, while exploration work for precious metals took place in the area around Stewart, B.C.

Primary Metals

At 117,700 tonnes, refined lead production in 1984 at Cominco's smelting and refining operation in Trail was down 2 per cent from the previous year. Zinc production from Cominco's recently completed plant increased to 259,100 tonnes, up from 217,500 tonnes in 1983. The plant is expected to be at full capacity of some 272,000 tonnes in 1985.

In 1983, Cominco completed an extensive program of capital improvements to its zinc smelter, making it one of the most modern and efficient plants of its type in the world. At the end of 1984, the company was considering a major upgrading of its lead smelter facility at a cost of some $300 million, to raise capacity by approximately 30 per cent to 156,000 tonnes, and preserve its competitive position in world markets.

Aluminum production at Alcan's Kitimat plant was estimated to be 275,390 tonnes during 1984, up more than 5 per cent from the previous year's production of 261,422 tonnes. The Kitimat smelter operated at full capacity in 1984, and is expected to do so again in 1985. During the course of the year, however, Alcan decided to postpone its planned expansion of smelter capacity in British Columbia pending a significant change in the longer term outlook for aluminum. Among the factors contributing to this decision were deteriorating market conditions, excess global capacity, and its own acquisition of significant production facilities in the United States.

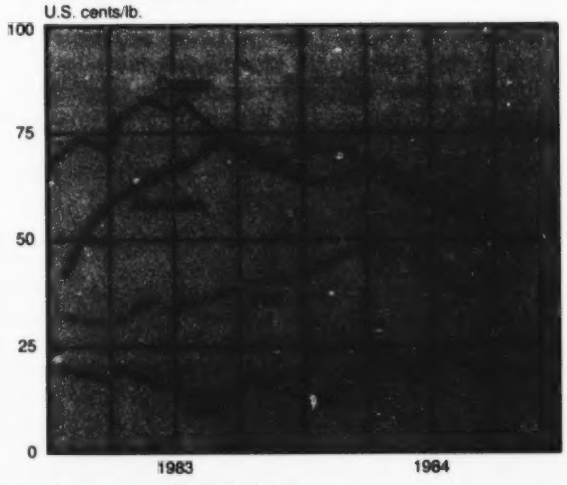
Industrial Minerals and Structural Materials

Production in these sectors of the industry was up from 1983 levels and the value of production is estimated to have risen to some $350 million from approximately $300 million a year earlier. Asbestos from British Columbia's only asbestos mine, located in Cassiar, accounted for about 25 per cent of the value of industrial minerals and structural materials produced, with sand and gravel accounting for a further 25 per cent.

Production in the industrial materials sector is largely dependent upon construction activity in the Province. With major projects continuing, such as the Coquihalla Highway, Canadian Pacific's Rogers Pass Project, Vancouver's Advanced Light Rapid Transit system, and Expo 86, the value of production in 1985 should be maintained at about the same level as in 1984.

In view of British Columbia's wealth of untapped resources, and with new uses for industrial minerals constantly being found, the industry is expected to experience continuing expansion over the longer term.

International Market Prices for Selected Metals, 1983-84 (monthly averages)



Source: London Metals Exchange

Energy

Overview

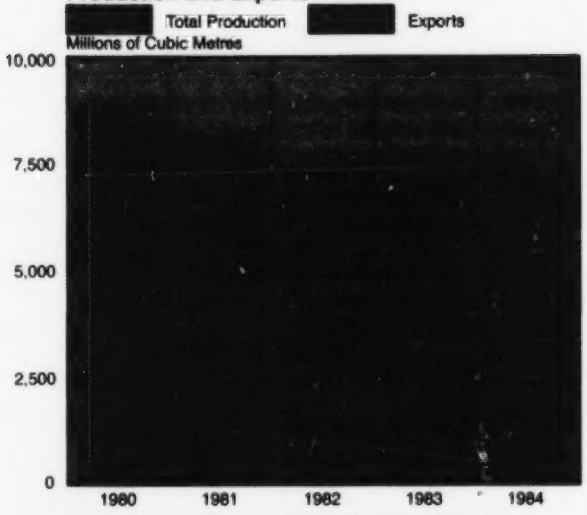
- ☐ The domestic demand for energy edged up slightly during 1984.
- ☐ Natural gas deliveries were up about 7 per cent during 1984, with increases fairly evenly distributed in both domestic and export volumes.
- ☐ In order to improve natural gas marketing arrangements, the Province announced its intention to implement the recommendations of a report on natural gas marketing procedures, permitting direct sales by producers to eligible industrial buyers, and legislation to this effect was introduced early in 1985.

Natural Gas

Deliveries of natural gas rose by an estimated 7 per cent during 1984, with increases fairly evenly distributed between domestic and export markets. The increase of 6 per cent in export volumes reversed a downward trend originating in 1980, reflecting the cold winter conditions of 1983/84 and more flexible pricing arrangements for export gas.

Several important changes in gas marketing and royalty arrangements were announced by the federal and provincial governments during the year. In July, the National Energy Board issued new export regulations, one of which allows natural gas exporters to negotiate prices, so long as they are not less than the Toronto city gate price. Following an extensive review for the Province of natural gas marketing and royalty systems, chaired by Dr. G.W. Govier, the provincial government announced a new pricing policy which phases in by 1990, an increase in the domestic wholesale price of crude oil to refineries in Vancouver. The Province announced its intention to permit direct negotiations between natural gas producers and eligible buyers for industrial volumes of natural gas. The provincial government also introduced a new natural gas royalty system which levies royalties in relation to the net value received by producers. The new system is also designed to levy royalties which are lower in the initial production period and will increase as the well matures or as prices received by producers increase.

British Columbia Natural Gas Production and Exports



Source: Ministry of Energy, Mines and Petroleum Resources

Progress was made during the course of the year in resolving the difficulties faced by the Canada (formerly Western) LNG project near Prince Rupert. Developments during the year included reorganization of the consortium sponsoring the project, which calls for the export of approximately 2.35 million tonnes per year of liquefied natural gas to Japan over a 20-year period. A new consortium, Canada LNG, was formed to take over the project from the Western LNG consortium led by Dome Petroleum. The Japanese utilities which are intended to be the market for the product extended the negotiating deadline for an agreement on this project into 1985.

Further progress was also made during 1984 on the Vancouver Island Pipeline, with the British Columbia Utilities Commission selecting the more southerly routing from two competing proposals. A final decision on implementing the project is dependent on federal government financial assistance.

During 1984, construction proceeded on the Westcoast/Petro-Canada natural gas liquids extraction plant

BRITISH COLUMBIA ENERGY PRODUCTION

	1982	1983	1984	% Change
Natural Gas (millions of cubic metres)	7,016	6,756	7,249	7
Crude Oil (thousands of cubic metres)	2,078	2,079	2,094	1
Electricity (gigawatt hours)	48,238	47,213	52,369	11

at Taylor, B.C. The plant will be capable of extracting up to 127,000 cubic metres per year of propane, butane and condensates from the available natural gas stream, and is scheduled for completion in 1985.

In spite of relatively soft market conditions, methanol production in British Columbia was running close to capacity during 1984, with the available product presold to the end of 1985. Production economics improved as a result of action taken by provincial authorities to facilitate direct contracting between suppliers and purchasers of natural gas. In addition, the government announced the implementation of a new royalty structure with respect to the use of natural gas for petrochemical production.

Petroleum and Petroleum Products

Production of crude oil (including condensates) amounted to 2.2 million cubic metres, up marginally from the previous year, constituting about 25 per cent of British Columbia's total crude oil requirements. Production of refined petroleum products declined slightly, however, compared with 1983.

Following the closure in 1982 of Gulf Canada's Kamloops refinery, the company made application during 1984 to the National Energy Board to develop its storage facilities in Kamloops into a distribution centre serving markets in the central interior of the Province, sourced by pipeline from Gulf's Edmonton refinery. The year also marked the completion of the expansion of the Shellburn refinery, in the Lower Mainland, to accommodate additional volumes of synthetic crude oil from Alberta.

Gulf Canada was particularly active in oil exploration in the Desan field in the northeast region of the Province, and plans to proceed to the development phase in 1985.

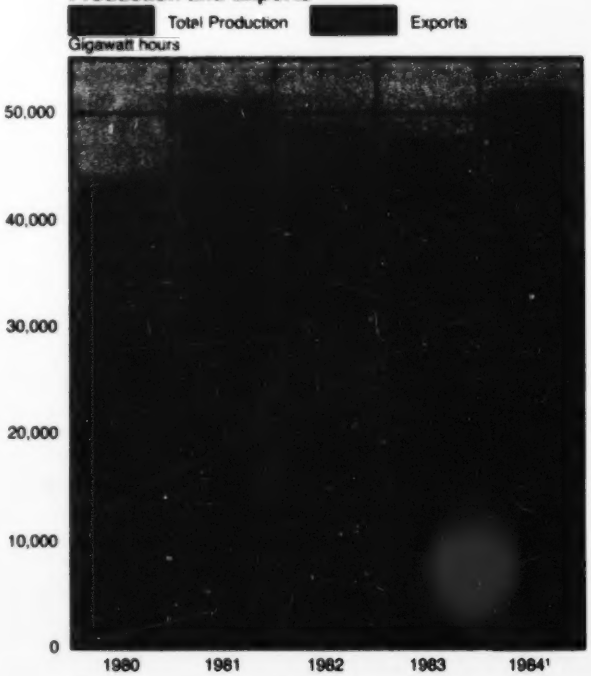
In November, 1984, the West Coast Offshore Exploration Environmental Assessment Panel commenced a wide-ranging review and canvassing of opinion regarding environmental issues and safeguards associated with offshore oil exploration off the coast of British Columbia. The panel is expected to present its report to the federal and provincial ministers of the environment in the latter part of 1985.

Electricity

Electricity generation was up 11 per cent compared with 1983. Export demand increased by some 67 per cent, accounting for almost 80 per cent of the overall increase in electrical production, and registering the second highest level of export volume ever achieved. Residential consumption was also up, as was commercial and industrial consumption of B.C. Hydro production. Own-use by industrial power producers was down slightly, however, reflecting the strike in the pulp and paper industry and poor conditions in the metal mining sector.

B.C. Hydro's facility at Revelstoke, B.C., began generating electricity in 1984. The project has a rated capacity of 1.8 million kilowatts, which will be brought on stream as demand warrants. No further major generation projects are planned for the near future, as electrical production capability appears to be more than adequate to meet domestic requirements until at least

British Columbia Electricity Production and Exports



¹Estimates based on 8 months data.
Source: Statistics Canada, 57-001, 57-202

BRITISH COLUMBIA ENERGY EXPORTS

	1982	1983	1984	% Change
Natural Gas (millions of cubic metres)	2,320	2,147	2,277	6
Crude Oil (thousands of cubic metres)	15.2	NIL	2.3	
Electricity (gigawatt hours)	6,615	4,975	8,313	67

the end of the decade. With a surplus of electrical capacity on hand, and a reduction in its forecast of electrical consumption to 1994, B.C. Hydro offered a 'block recovery rate' to industrial users in 1984 to provide rate discounts on eligible incremental electricity purchases. The Province also authorized B.C. Hydro to apply to the B.C. Utilities Commission for approval to offer short-term discount electrical rates to coastal forest companies which use heavy oil to drive their turbogenerators. Initiatives such as these and a broadening of the economic recovery are expected gradually to reduce the electricity surplus.

Commercial Fishing

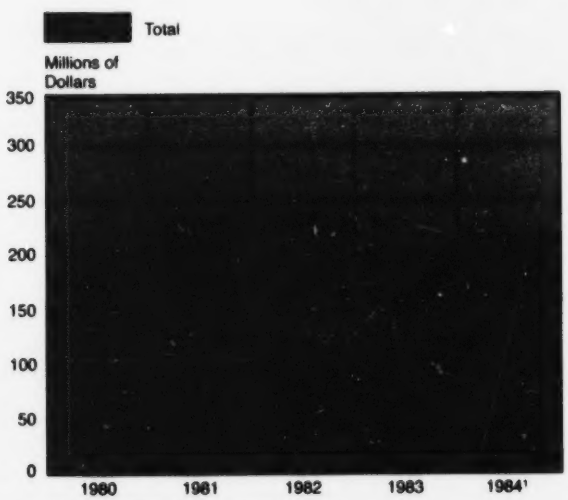
Overview

- ☐ The total harvest of marine resources in British Columbia decreased by an estimated 12 per cent in volume compared with 1983 but, with a changing product mix, increased 16 per cent in landed value, while the wholesale value fell 1 per cent.
- ☐ Total salmon landings decreased by some 33 per cent in volume, due to a cyclical decline in the catch of pink salmon. The value of the catch rose 30 per cent, however, as a result of price increases and a shift in the species composition of the catch. The wholesale value fell 3 per cent.
- ☐ Herring landings declined by 15 per cent in volume and, with prices remaining stable, the landed and wholesale values decreased proportionately.

Salmon

Salmon constitutes by far the most valuable segment of the fishing industry, accounting for about 60 per cent of the total value of fish landings in British Columbia. In 1984, the landed value of the salmon catch increased by 30 per cent, although in volume terms the salmon harvest declined by about 33 per cent, primarily as a result of a cyclical decline in landings of pink salmon.

British Columbia Landed Values of Marine Resources



Source: Fisheries and Oceans Canada
¹Estimate

Coho and sockeye landings were also slightly below 1983 levels, while chinook landings were up slightly and chum landings doubled.

There was a significant shift in the product mix in favour of frozen production. About 60 per cent of the catch was frozen, compared with 35 per cent in 1983, a further 35 per cent was canned and the remainder was marketed either as fresh fish or other specialty products. Among the factors contributing to the increase in frozen production were price increases for frozen salmon, the change in the species composition of the catch, and an increase in the share of the catch taken by the troll sector of the fleet (troll caught salmon tend to be more suited for fresh/frozen production than seined or gillnetted salmon).

Exports generally account for about 50 per cent of canned salmon production and 90 per cent of frozen production, the major export markets being Japan, the European Economic Community, the United States, and Australia. British Columbia's major competitor on world markets is Alaska, while Japan, the U.S.S.R., and, more recently, Norway are also significant salmon producers.

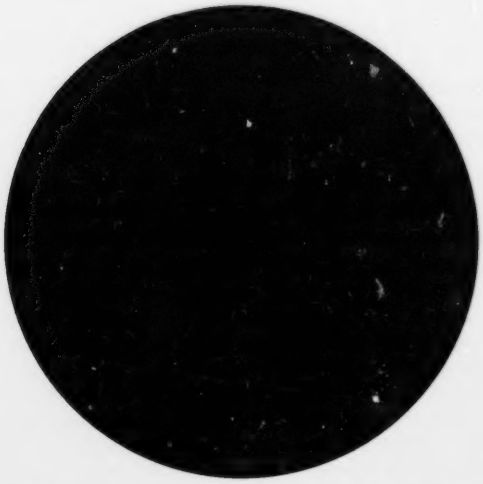
Export prices increased for all frozen salmon products and for salmon roe. There appeared to be a shortage of fresh/frozen production of Pacific salmon in spite of another year of record salmon production in Alaska, where production was more heavily weighted in favour of canned production.

Current expectations for 1985 salmon landings are for an increase of about 50 per cent in British Columbia, and a decline of about 20 per cent in Alaska. As Alaska accounts for a much larger proportion than British Columbia of the Pacific salmon catch, the net result is expected to be an overall decline in total landings of Pacific Salmon and a firming in market conditions, in spite of the increase in British Columbia production. Exchange rates will also be a significant factor in determining prices paid to British Columbia producers and, hence, the total value of the catch.

Herring

The herring fisheries in British Columbia rank second to salmon, accounting for about 20 per cent of the total value of fish landings. In 1984, due to a decline in roe herring landings, the catch declined by approximately 15 per cent in both volume and value terms.

Value of British Columbia Fish Exports by Country of Destination 1983



Source: Ministry of Industry and Small Business Development External Trade Report 1983.

British Columbia's roe fishery, which occurs in the spring of each year, is by far the most important of the herring fisheries, and in 1984 accounted for over 95 per cent of total herring landings. A smaller fishery takes place at the same time to harvest spawn-on-kelp. In the fall of each year, an additional catch is taken for food and bait purposes, but this fishery has been substantially reduced in recent years.

Japan provides the major market for herring roe from British Columbia, and in 1984 British Columbia supplied about 45 per cent of the market. Prices and inventories for Japanese herring roe remained relatively stable compared with the previous year. As a result of declining fish stocks, however, the 1985 quota for British Columbia landings was set at a level 44 per cent below the 1984 catch. Consequently, total supplies in 1985 should be significantly lower than in 1984, putting upward pressure on prices.

Other Fisheries

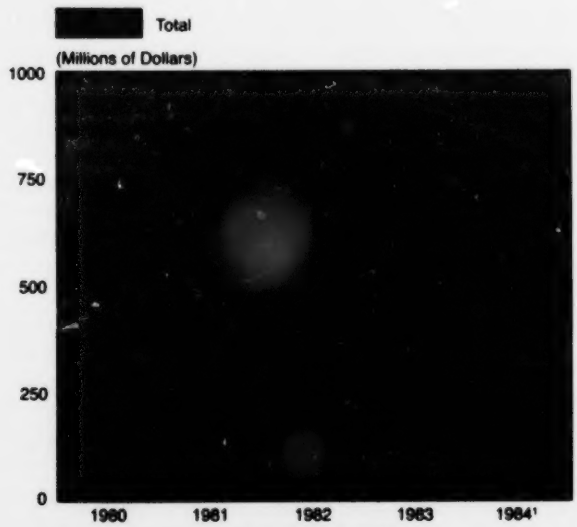
Groundfish, halibut, and shellfish accounted for the remaining 20 per cent of the total value of production in the British Columbia fishing industry in 1984. Groundfish landings increased by an estimated 4 per cent compared with 1983, largely due to an increase in joint venture hake landings. The catch of the remaining groundfish species was down from 1983, while halibut and shellfish landings increased by an estimated 68 per cent and 30 per cent, respectively. On average, groundfish and shellfish prices were above 1983 levels, while halibut prices were down by over 30 per cent.

Agriculture and Food

Overview

- Total farm cash receipts rose 9 per cent in 1984 to $971 million, exceeding the previous record of $942 million achieved in 1982.
- With farm input prices remaining relatively stable, net farm income is estimated to have increased substantially compared with the previous year.
- Weather conditions were generally favourable for farmers. However, wet weather in the spring and early summer adversely affected the planting of grains and early vegetables, and curtailed the harvest of hay and berry crops. In addition, a late frost was detrimental to fruit trees and asparagus, while early snow in the Peace River district hindered the grain harvest.
- Retail food prices advanced at a slightly faster pace than in 1983, with the Vancouver Consumer Price Index for food 5 per cent higher on average. Most commodity prices remained relatively stable at the farm gate, a significant part of the year's food price inflation being attributable to the higher cost of food imports and the lower value of the Canadian dollar in terms of its U.S. counterpart.

Farm Cash Receipts
1980 to 1984



Source: Statistics Canada: 21-001 and 21-202
¹Estimate

Livestock and Products

Receipts from livestock and related products amounted to $593 million in 1984, 8.8 per cent higher than in 1983, with most of the gain accruing to the poultry industry. Egg production in the Province was off 3.6 per cent but cash receipts from eggs were up 5.6 per cent for the year on the strength of higher average prices. Efforts to bring output closer in line with consumption continued throughout the year, and chicks purchased by egg producers were down 6.4 per cent from 1983.

Major price increases occurred in the poultry sub-sector as supply and demand became more evenly balanced. Stocks of frozen poultry declined substantially during the year, thereby reducing the need to initiate retail price specials. As a result, farm cash receipts jumped sharply, rising $10.3 million, or 13.3 per cent. Higher poultry prices also had the effect of providing support for price levels for pork and beef.

Cash receipts from the sale of cattle, calves, hogs and other livestock showed an increase of 12.5 per cent in 1984. Livestock surveys indicated that breeding herds in British Columbia continued to decline during 1984; beef cow numbers slipped 5 per cent and beef heifers for breeding were down 3 per cent between January 1984 and January 1985. More breeding stock is culled as prices, and expectations regarding future prices, fall, thereby increasing current marketings and putting further downward pressure on prices. This pattern is complicated by the fact that red meat markets tend to be North American, rather than local, in scope. During 1984 beef prices remained above year-earlier levels throughout the year, but well below those producers deemed sufficient to encourage higher output.

Hog prices were more variable. From well below 1983 levels in the early part of the year, hog prices rose strongly during the summer to the end of August, then fell sharply, to levels below those prevailing twelve months earlier. However, at the end of November prices again began to move steadily forward.

The dairy industry remained the largest, and most stable, component of the agricultural sector. In 1984 farm cash receipts for this sector rose 5.1 per cent on the strength of a modest advance in prices and increased sales of industrial milk. Sales of standard milk continued to trend downward, but most specialty milk items enjoyed higher sales. Provincial production of manufactured dairy products declined, although cheese, particularly Cheddar, recorded an impressive gain.

Fruit, Vegetable and Field Crops

Farm cash receipts from fruit, vegetables and field crops rose 10.6 per cent, or $31 million, in 1984, as price recovery was widespread. Most of the increase, amounting to $21 million, was realized by producers of grain and other field crops harvested in 1983 but sold in the following year.

Above-average precipitation in the spring forced vegetable and grain producers to reseed many fields. Although this had little effect on the subsequent grain acreage, it seriously limited local vegetable producers' share of the generally profitable early markets. In addition, an April frost destroyed almost all of the early asparagus crop. These two events resulted in a decline in cash receipts from vegetables in the first half, but by the end of 1984 sales were up 4.4 per cent. Potato growers enjoyed sharply higher prices for their output, with cash receipts for the year rising $3.75 million, or 20.8 per cent from 1983.

The total area seeded to grain and oilseeds in British Columbia rose an estimated 15.8 per cent in 1984 with canola (rapeseed) accounting for 83 per cent of the increase. Canola prices rose at an unprecedented rate until June, but then dropped rapidly and were well below year-earlier figures by the end of the third quarter. Wheat prices averaged slightly above 1983 levels but barley prices were sharply higher in the first three quarters. Record worldwide grain supplies in the 1984-85 crop year are expected to force grain prices lower, but a high level of purchases by the U.S.S.R. may moderate the decline. Lower grain prices could also mean lower feed costs, to the benefit of both livestock producers and consumers. The full impact of delayed harvesting of Peace River grain due to early snow cannot be determined until 1985.

Winterkill and heavy spring rains combined to deal strawberry producers a heavy blow: only about half of their productive potential was realized in 1984. Strawberry prices were relatively weak because of high storage stocks and increased competition from new California and Mexico plantings.

Heavy frost in April damaged blossoms on cherry, apricot, peach and apple trees, resulting in a combination of lower yields and smaller fruit. However, weather conditions during the balance of the growing and harvesting period were generally favourable. Apples, the most important fruit crop, commanded prices well above year-earlier levels during the first half, but prices slipped back as the new crop came to market. Total receipts from all fruits declined fractionally to the end of October as the result of lower receipts in June and July.

Although the effects of the recession are still being felt by the farming industry, with numbers of farmers experiencing financial difficulty, the industry as a whole showed remarkable resiliency during 1984. Improving market conditions and continuing stability in farm input costs during 1985 are likely to result in a further modest advance in total farm income and an improving financial picture overall.

Food Processing

Food processing in British Columbia is based on both locally produced farm products (canned and frozen fruits and vegetables, wine, dairy products, poultry, beef, and pork), and those produced elsewhere (sugar, liquor, soft drinks, coffee, tropical fruit preparations).

During 1984, manufacturing shipments of food and beverages produced in British Columbia were about 5 per cent higher than in 1983. Food prices in retail stores climbed by 6.2 per cent between December 1983 and December 1984, with the largest increases registered for coffee and tea, and meat, poultry and fish categories. These product categories comprise imported goods and products that are priced on a North American basis both of which were subject to upward price movement during 1984 due to the depreciation of the Canadian dollar against the U.S. currency. Overall, shipments of British Columbia food and beverage companies showed little real change from 1983, as consumers continued to exhibit caution in their expenditure patterns.

Despite the processing industry's slow rate of growth, there were areas of substantial promise. For example, in the Okanagan, the wine industry continued to improve its image, with new products and new cottage (estate) wineries bottling limited quantities of quality wines. This upgrading, combined with a shift in consumer preferences from red to white wines, has prompted a major replanting in the province's vineyards. Cottage breweries also established their presence during 1984, adding to the Province's small but fast-growing specialty foods industry.

Manufacturing

Overview

- ☐ The value of manufacturing shipments advanced 4.4 per cent during 1984, despite prolonged work stoppages during the first quarter in forest products and related industries.
- ☐ Productivity improvements were reflected in an overall reduction in employment levels, while output held up reasonably well.
- ☐ There was a sharp increase in production by truck and trailer manufacturers during 1984, and prospects for a further increase by the transportation equipment industry in 1985 with the scheduled start-up of the Toyota wheel production plant.

Resource Processing

Resource processing industries, based for the most part on world scale production facilities, account for the bulk of British Columbia's manufacturing shipments. For most resource processing industries, shipments held up reasonably well during 1984, although exceptions were registered by the wood products industry, which was affected by a prolonged work stoppage early in the year. Shipments of petroleum and coal products were also down, reflecting the closure by the Gulf Oil Company of its refinery at Kamloops. A detailed analysis of the effects of economic conditions on the resource processing industries is located in those sections of the report dealing with specific resource sectors.

Fabricated Products

With the economy pulling slowly out of the recession, shipments of fabricated products advanced 11.7 per cent during 1984 compared with 1983. Shipments were up in most industry segments, with major gains registered in transportation equipment, machinery, and plastics industries. Employment was down, however, reflecting the impact of productivity improvements, and the pervasive influence of the recession.

Metal fabricating is among the largest fabricated products manufacturing industries, producing a variety of structural components and capital goods employed in construction and other industries. With industrial plants in many industries operating well below capacity and providing little incentive for new capital investment, the

MANUFACTURING SHIPMENTS IN BRITISH COLUMBIA
(millions of dollars)

Industry Group	1983	1984	% Change 1983-84
Resource Processing	13,511	13,863	2.6
Wood Products	4,787	4,624	−3.4
Paper and Allied	2,793	3,107	11.2
Food and Beverages	2,558	2,678	4.7
Petroleum and Coal Products	2,156	2,073	−3.9
Primary Metals	781	938	20.1
Non-metallic Mineral Products	436	443	1.5
Fabricated Products	3,301	3,688	11.7
Metal Fabricating	768	777	1.3
Transportation Equipment	550	837	52.3
Chemicals	488	523	7.0
Printing and Publishing	475	471	−0.8
Machinery	301	341	13.2
Electrical Products	205	203	−0.8
Clothing	91	99	8.5
Plastics	118	137	16.3
Furniture and Fixtures	111	107	−2.9
Textiles	56	60	7.7
Miscellaneous	138	133	−3.6
All Industries	16,812	17,551	4.4

metal fabricating industry did not experience a strong recovery from the weak conditions of the previous year. Following the completion of the North East Coal Development in 1983, the industry was sustained during 1984 by the Advanced Light Rapid Transit system for Vancouver, the new Annacis Island Bridge, and the interlocking B.C. Place/Canada Place/Expo 86 development. The continuation of these developments during 1985, together with Canadian Pacific's Rogers Pass Project, which entered the construction phase towards the end of the year, are expected to maintain the level of demand for fabricated metal products in the near term, but a significant expansion of output is unlikely to occur prior to a renewed round of investment spending by the private sector.

The transportation equipment industry consists primarily of truck and trailer manufacturing, shipbuilding, boatbuilding, and production of aircraft components. Strong demand for output of the truck and trailer manufacturing industry, particularly in U.S. markets, raised the value of shipments of the transportation equipment industry by 52 per cent compared with 1983. Other segments of the industry remained essentially flat, even though a moderate degree of stimulus for shipbuilding was associated with the Naval refit program. This program will continue during 1985 but the shipbuilding industry faces considerable uncertainty due to the phasing out of federal subsidies scheduled for 1985. However, with the Toyota wheel plant coming into production, and a continuing high level of activity by the truck and trailer industry, the transportation equipment industry is expected to register a modest improvement in 1985.

British Columbia's machinery industry is heavily dependent on the Province's resource sectors. Shipments by machinery manufacturers during 1984 were 13 per cent higher than in 1983 as a result of higher production levels in the B.C. forest industry. Industry shipments were well below the peak levels recorded in 1981, however, reflecting lagging conditions in the metal mining industry. With the softness in metal markets expected to persist through 1985, the near term outlook for industrial machinery is for continued slow growth.

In total, shipments of electrical products showed little change from the previous year, but there were significant shifts among industry sub-sectors. A decline in the production of industrial electrical equipment, which was affected by a significant reduction in the capital expenditure requirements of B.C. Hydro, was offset by increased shipments in the rapidly expanding communications equipment and microelectronics sectors. These conditions are expected to continue through 1985, reflecting further paring of B.C. Hydro's capital budget, and a promising outlook for British Columbia's high technology companies.

For the second successive year, chemical shipments posted significant gains, reflecting, for the most part, the impact of increased demand for industrial chemi-

MANUFACTURING EMPLOYMENT IN BRITISH COLUMBIA
(thousands of employees)

Monthly Average — March to December

Industry Group	1983	1984	% Change 1983-84
Resource Processing	89.8	84.8	−5.5
Wood Products	39.9	36.9	−7.5
Paper and Allied	18.0	16.7	−7.2
Food and Beverages	20.2	19.9	−1.7
Petroleum and Coal Products	1.0	0.9	−7.4
Primary Metals	6.6	6.7	0.1
Non−metallic Mineral Products	4.1	3.8	−8.6
Fabricated Products	49.5	47.1	−4.9
Metal Fabricating	9.3	8.4	−9.5
Transportation Equipment	8.7	8.6	−0.1
Chemicals	3.2	3.4	6.7
Printing and Publishing	10.3	8.4	−17.8
Machinery	4.3	4.0	−6.4
Electrical Products	3.1	3.0	−3.0
Other	10.6	11.3	6.6
All Industries	139.3	132.0	−5.3

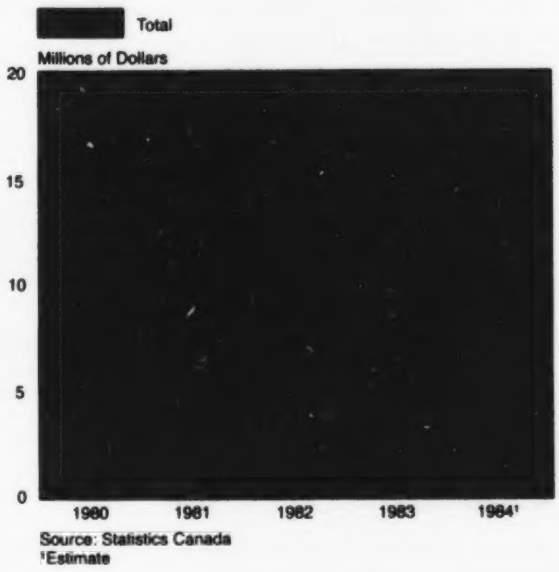
cals employed in the production of forest products, fertilizers, and mineral products.

Plastics production was up by some 16 per cent from the previous year, and was associated both with new markets for extruded plastics products, and the continuing substitution of plastics for a range of traditional wood and metal products, particularly building materials.

The printing and publishing, clothing, textiles, and furniture and fixture industries, all of which are consumer oriented, registered little change during 1984 compared with the previous year. Minor declines in production were recorded for the printing and publishing and furniture and fixtures industries, while for clothing (mainly sportswear) and textile industries, production increased. A slight upturn in production is anticipated for 1985, in line with consumer spending. In addition, the clothing industry is expected to benefit from its positioning in higher growth markets, serving consumer demand for recreational and sports clothing and accessories.

One measure of the expansion and diversification of the Province's manufacturing base is provided by the British Columbia Manufacturers' Directory, which is a compendium of manufacturing firms operating in British Columbia. The 1984 edition of the Directory includes approximately 200 new companies, and a number of new industrial categories ranging from transportation communications systems to vinyl siding and sailboat accessories and fittings. Since 1979, over 300 new product categories have been added to the Directory, and a significant increase recorded in the number of firms exporting their products abroad.

Value of British Columbia Manufacturing Shipments



Source: Statistics Canada
¹Estimate

Construction

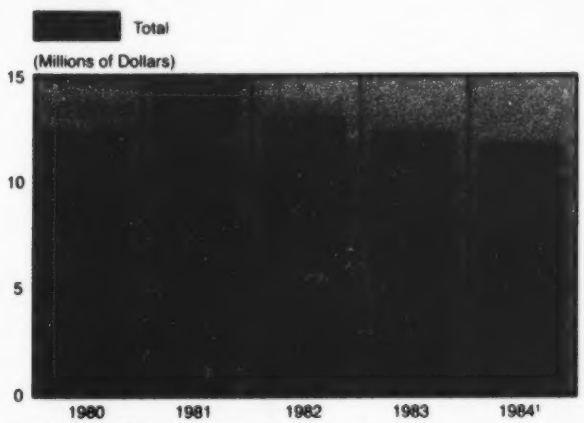
Overview

- With completion of the massive North East Coal Development and the B.C. Place Stadium, capital and repair expenditures during 1984 were some 5.3 per cent lower than in the previous year, amounting to an estimated $11.9 billion.
- Private sector outlays dropped by 6.1 per cent compared with a more modest decline of 3.7 per cent in the public sector.
- The increasing importance of repair expenditures relative to new capital construction continued, reflecting the emphasis placed on enhancing the efficiency of the Province's mature industries, such as forestry and metal refining, rather than putting additional capacity in place.
- Housing starts in 1984 were 24.5 per cent lower than in 1983, when residential construction was boosted by a decline in interest rates and government incentive programs in the first half of the year.

Non-Residential Construction

The persistence during 1984 of weak markets for many of British Columbia's major industries, and significant amounts of idle industrial capacity, combined to dampen investment intentions in British Columbia. As a result, capital and repair expenditures slipped by 5 per cent to an estimated $11,901 million.

Capital and Repair Expenditures in British Columbia 1980 to 1984



Source: Statistics Canada, 61-205 and 61-206
¹Intentions

Despite the overall lack of growth, some sectors of the Provincial economy experienced significant investment gains. Manufacturing proved to be the main area of strength, with an advance of 18 per cent, or $212 million, over 1983 outlays. The largest increases were recorded by the forest industries, with the emphasis on productivity improvements rather than additional production facilities. Investment in the paper and allied industries was up $138 million, and in the wood products sector the increase was $78 million. The trade, finance and commercial services group followed, with an increase of 24 per cent over 1983, while institutions and government departmental expenditures were up by 2 per cent, or $31 million.

On the other side of the ledger, the primary industries and utilities groups both recorded substantial declines. Mining and oil and gas expenditures were off 31 per cent from 1983, due in large part to the completion of construction of the North East Coal Development project, which came on stream in the fourth quarter of 1983. Investment outlays by utilities were down almost 13 per cent, reflecting the winding down of the Revelstoke Hydroelectric project, as the first two units began generating power in May.

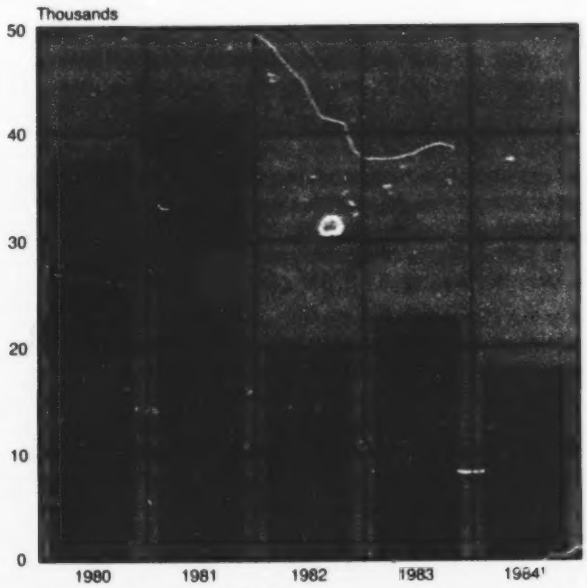
Other major projects largely completed during the course of the year included the Westmin Resources lead-zinc mine expansion, and a new grain terminal at Prince Rupert. Spending on other major undertakings already underway — Expo 86, Vancouver's Advanced Light Rapid Transit system, the Coquihalla Highway, Canadian Pacific Railway's Rogers Pass Project through the Rocky Mountains, railway upgrading and the Woodfibre pulpmill redevelopment — will continue in 1985 and beyond, and should maintain construction activity at its 1984 level.

While the tempo of construction activity on a number of these projects is likely to increase during the run-up to Expo 86, slow economic growth during 1985 and significant amounts of unused industrial capacity provide little prospect of a new round of investment spending on new plant and equipment by the private sector. The outlook for non-residential construction, therefore, is for little change through 1985, pending a resumption of more rapid growth in the external economic environment.

Residential Contruction

A fragile economic recovery, rising interest rates, and the phasing-out of government incentive programs, resulted in a downturn in residential construction during 1984. The federal government's Canadian Home Ownership Stimulation Program (CHOSP), terminated

Housing Starts in British Columbia 1980 to 1984



Source: Statistics Canada, 64-002
¹Estimate

in May 1983, and the Multiple Unit Rental Building Program (MURB), terminated at the end of 1982, provided substantial financial incentives which resulted in unsustainable additions to the supply of both single family and multiple housing units during 1983, and an increase in vacancy rates. The return to more normal conditions, together with the upward movement in mortgage rates during the first half of the year, resulted in residential construction in British Columbia declining by an estimated 19.5 per cent in value during 1984.

High vacancy rates will continue to be a factor during 1985 and, together with little change in the underlying pressure of demand, are expected to slow new construction of rental accommodation. Nevertheless, the trend to lower mortgage rates that began in the latter part of the year, if not reversed, together with further improvement in general economic conditions, could result in a modest upturn in residential construction activity during the course of the year.

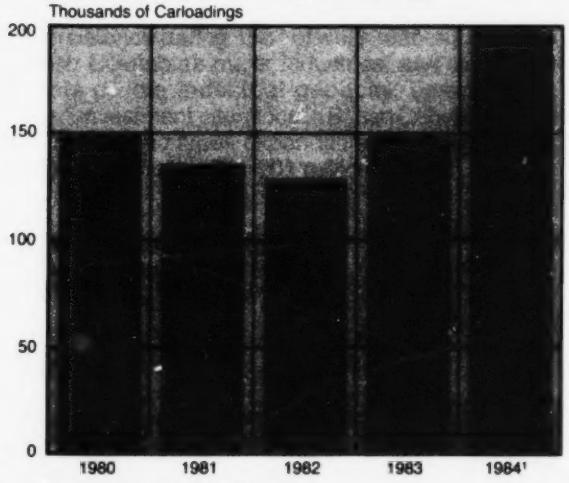
Transportation

Overview

- ☐ Freight shipped through the Province's rail and port network increased significantly during 1984. Much of the increase was over northern rail lines and through the Port of Prince Rupert and was attributable to the first full year of shipments from the North East Coal Development.
- ☐ Major railroad projects underway in 1984 included the start of construction on Canadian Pacific Railway's massive Rogers Pass Project in the Rocky Mountains which, when completed, will include the longest railroad tunnel in North America.
- ☐ Prince Rupert began operation as a Local Port Corporation, a status providing for management by a local board of directors. With the expansion of the Roberts Bank coal terminal, there was a significant increase in the Port of Vancouver's coal shipping capacity.

Rail

British Columbia Railway Carloadings



Source: British Columbia Railway
¹Estimate

The three major railroad companies operating in British Columbia — the British Columbia Railway, Canadian Pacific Railway and Canadian National Railway — all reported increases in freight movements in the province during 1984. For the British Columbia Railway and the Canadian National Railway, 1984 was, in fact, a record year for freight movements.

The British Columbia Railway loaded a total of 200,257 cars during the year, an increase of more than 29 per cent over the previous record of 154,850 set in 1978. A full year of coal shipments from the North East Coal Development and record lumber shipments were the principal factors contributing to the railway's record performance.

Record shipments of coal, sulphur and grain were registered by the Canadian National Railway in 1984. Preliminary estimates indicate that freight carried by the Canadian National Railway on its mainlines in British Columbia was up 17.5 per cent from 1983 levels.

For the Canadian Pacific Railway, operating primarily in southern British Columbia, the drought experienced on the Prairies resulted in a 4 per cent reduction in grain shipments, dropping Canadian Pacific to the number two spot in the transportation of western grain. Reduced shipments of lumber and imported automotive parts were also recorded by Canadian Pacific during 1984. Compensating for these reductions, however, were significant increases, compared with 1983, in shipments of coal, lead, and zinc concentrates.

The increased volume of coal shipments resulted in significant upgrading of the mainlines servicing the coal fields by the British Columbia Railway and Canadian National Railway. British Columbia Railway spent $12 million upgrading its mainline from Anzac to Prince George during 1984, and in June began construction of a diesel locomotive shop in Prince George. Expenditures by the Canadian National Railway for upgrading its rail line between Prince George and Prince Rupert and expanding its terminal in Prince George totalled $120 million during the course of the year. Upgrading of its northern mainline by Canadian National, coupled with the completion of the Ridley Island Grain Terminal at the Port of Prince Rupert, will also enable the transportation system to handle increased shipments of grain.

Elsewhere in the Province, the two national railways continued major upgrading projects. In the fall of 1984, the Canadian Pacific Railway started construction of the Rogers Pass Project. The project, which includes two tunnels (one of which will be the longest in North America), 32 kilometres of new track, eight bridges and four culverts, is part of Canadian Pacific's plan to upgrade its mainline between Calgary and Vancouver. Estimated to cost $600 million, the project is due for completion in 1988. Canadian Pacific also began work on a new $50 million car repair facility at Golden, scheduled for completion in 1986.

The Canadian National Railway continued upgrading its southline between Edmonton and Vancouver during the course of the year. By year-end, one third of the project, or 354 kilometres,was completed, at a cost of $55 million. In the lower mainland, Canadian National

continued work on its railyard expansion plans in Surrey and North Vancouver. During 1984, Canadian National spent $30 million on double tracking and upgrading rail lines into its Thornton Yards in Surrey, which will allow for greater ease in accommodating unit trains for bulk commodities such as coal and grain.

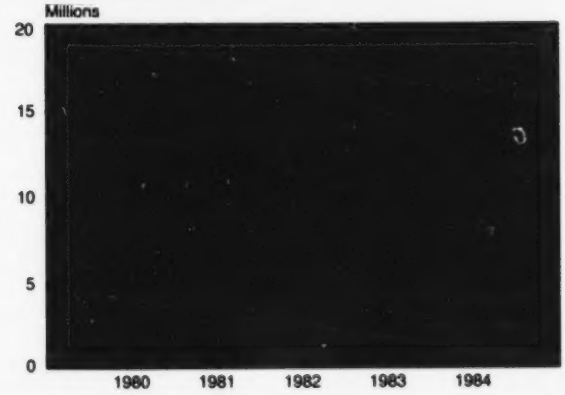
On January 1, 1984, the Western Grain Transportation Act, passed by Parliament in November 1983, was enacted into law. The new Act, which repeals the previous statutory Crowsnest Pass grain freight rates, provides railways with increased grain revenues from the federal government, in the form of grants, and from grain shippers, in the form of higher freight rates.

Ferries

Both passenger and vehicle traffic on the B.C. Ferries declined during the year. Passenger movements totalled 12.0 million, down 2.9 per cent from 1983, while vehicle traffic declined slightly to 4.5 million vehicles.

The decline in ferry traffic caused the B.C. Ferry Corporation to reduce the number of sailings as one part of a program to enhance the efficiency and productivity of its operations. In addition, studies were undertaken to determine ways of reducing the fuel consumption of its vessels, including consideration of the viability of compressed natural gas as an alternative fuel for the ferries.

System-Wide Passengers and Vehicle Movements on British Columbia Ferries



Source: British Columbia Ferry Corporation

Highways

Outlays for highway development and upgrading by the Ministry of Transportation and Highways are estimated at approximately $667 million for the 1984/85 fiscal year, an increase of 1 per cent from fiscal 1983/84. Of this total, about 61 per cent was earmarked for new construction and improvement, and 39 per cent for ongoing maintenance.

Work continued on several major highway projects during 1984. The $275 million Annacis Crossing is scheduled for completion by the middle of 1986. Progress was made on Phase One of the Coquihalla Highway from Hope to Merritt, which will be completed in early 1986 at a cost of $250 million. Phase Two, from Merritt to Kamloops, is scheduled for completion in 1987 and will cost $125 million. A third major project underway in 1984 was the upgrading of the existing Squamish Highway, with work proceeding on bridges and debris catch basins. Bridge replacement over the course of 1985 and 1986, and progressive four-laning of the entire highway over a 12-year period, will cost an estimated $100 million.

There was a decline in the number of motor vehicle licences issued in 1984 compared with 1983. Licenced passenger vehicles were down approximately 2 per cent to an estimated 1,170,000. The number of commercial vehicle licences was down from 448,000 in 1983 to 435,000 in 1984, a decrease of 3 per cent.

Urban Transit

Construction of Vancouver's Advanced Light Rapid Transit 21.4 kilometre mainline, linking downtown Vancouver with New Westminster, continued throughout 1984. By year end, the elevated section of the mainline — some 13 kilometres in all — was virtually complete. A 6 kilometre elevated extension of the line into Surrey was approved in the spring of 1984. The extension, currently in the design stage, will add an estimated $175 million to the total cost of the project.

Air

Passenger traffic through Vancouver International Airport in 1984 showed signs of recovering from the relatively low volumes of the previous two years. While 1983 passenger traffic, estimated at 6.5 million passenger movements, was down marginally from 1982 levels, preliminary figures for 1984 indicate a year-over-year increase of about 6 per cent.

Cargo movements through Vancouver International Airport in 1984 continued to show significant growth. While not as dramatic as the 19.2 per cent increase in traffic volumes experienced in 1983, preliminary estimates indicate that 1984 volumes will exceed those of 1983 by approximately 6.5 per cent, amounting to approximately 182 million pounds.

Ports

Cargo shipments through the Port of Vancouver were a record 59.3 million tonnes in 1984, up 15 per cent from the previous record of 51.6 million tonnes established in

1983. The increase in tonnages shipped included significantly higher volumes of coal, potash, sulphur and container shipments, while shipments of forest products registered a slight decline.

Increased coal shipments were made possible by the expansion of the Roberts Bank coal terminal. Completed in February 1984, the $130 million expansion project raised shipping capacity at Roberts Bank to 22 million tonnes from 12.5 million tonnes annually.

Additional coal handling capacity was responsible for a wholesale increase in cargo shipments through the Port of Prince Rupert. In 1984 cargo shipments through the port totalled 8.1 million tonnes, compared with 3.1 million tonnes for 1983. This large increase was due to coal shipments, amounting to 5.2 million tonnes, from the new Ridley Island coal terminal, which began operation at the beginning of the year. Increases were also registered in shipments of forest products, pulp, and mineral concentrates, which were up from the previous year by 44.0 per cent, 22.1 per cent, and 16.9 per cent, respectively. Grain shipments, however, registered an 18 per cent reduction in terms of volume.

Work continued through 1984 on the new Ridley Island grain terminal. The terminal, now operational, is expected to handle grain shipments of 1.5 million tonnes during 1985, increasing in subsequent years to a maximum throughput of 3.5 million tonnes annually.

In June 1984, the Port of Prince Rupert became the fourth Canadian port to operate as a Local Port Corporation. Under the Ports Corporation Act passed in 1983, the Port of Prince Rupert is now operated under the authority of a local board of directors.

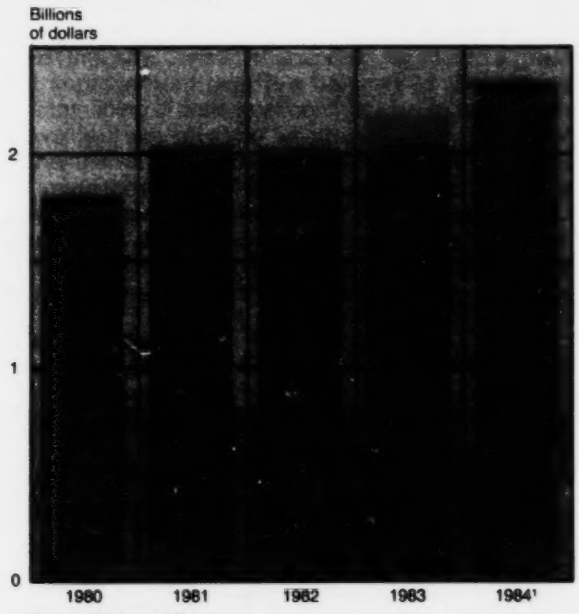
Tourism

Overview

- ☐ 1984 tourism revenues are estimated to have increased by 8 per cent from the previous year to $2.3 billion.
- ☐ Estimates for 1984 indicate a substantial rise in the number of visitors to British Columbia from the rest of Canada, the United States, and overseas.
- ☐ Construction proceeded apace on the interlocking Expo 86/ B.C. Place/Canada Place developments, which will showcase advances in the field of transportation for the 1986 World's Fair in Vancouver.

Tourism revenues, consisting of hotel and motel room sales, restaurant sales, and transportation and related services, increased by an estimated 8 per cent during 1984. Residents of British Columbia travelling within the Province constituted the largest single market for the industry, followed by visitors from the rest of Canada, the United States, and overseas. Overnight visitors accounted for a total of 6.5 million person-trips, up 4 per cent from 1983, while residents of British Columbia travelling within the Province accounted for another 5.6 million person-trips, 1 per cent higher than in 1983.

British Columbia Tourism Revenues



Source: Ministry of Tourism
¹Estimate

Distribution of Tourist Expenditure in B.C.
Total Expenditure 1984 — 2.3 Billion

Source: Based on data supplied by B.C. Ministry of Tourism

CHANGES IN SELECTED TOURISM INDICATORS

Indicator	1983	1984	Per Cent Change
U.S. Resident Overnight Entries (000's)	1,683	1,788	+6.2
Overseas Entries (000's)	364	378	+3.8
Rogers Pass Traffic (000's)†	1,170	1,314	+12.3
Estimated Hotel Occupancy Rate (%)	55.2	57.4	+1.8
Provincial Park Campground Attendance (000's)	2,145	2,068	−3.4
Total Restaurant Sales ($000,000)	1,353	1,450	+7.2

† Rogers Pass traffic during the peak month of July, 1983, was interrupted for over two weeks by a bridge washout.

Motel room sales increased by an estimated 8 per cent, and hotel occupancy rates by about 3 per cent. Restaurant sales also increased, rising by some 7 per cent, while transportation related purchases are estimated to have declined marginally. The distribution of tourism expenditures and changes in selected tourism indicators are summarized below.

Approximately 55 per cent of tourism revenues accrued to southwestern British Columbia and Vancouver Island, 35 per cent to the remaining southern portion of the Province, and 10 per cent to northern British Columbia. The tourism/hospitality sector provided an estimated 103,300 person-years of employment, mostly in the food and beverage, and accommodation, sectors.

For 1985, tourism revenues are expected to register additional gains, reflecting continued improvements in economic conditions in Canada, the United States, and overseas. To the extent that visitors defer their trips in order to visit Expo 86, however, those gains may be moderated. This effect should be more than compensated for by the revenues generated by Expo 86 the following year, which will provide significant stimulus to the Province's construction, hospitality, and service industries. Over the longer term, the B.C. Place/Canada Place and certain Expo 86 developments will constitute permanent additions to the Province's tourist potential, and will provide an international focus for Vancouver's centenary celebrations.

Commerce

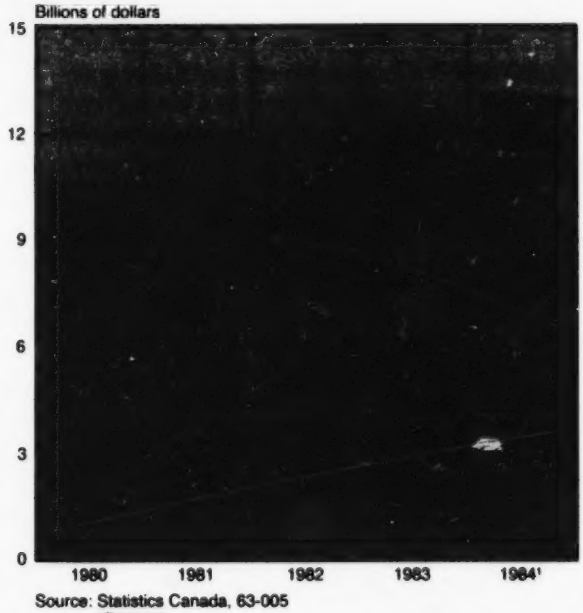
Overview

- ☐ Following a difficult first quarter, retail sales experienced a moderate improvement during the course of the year, reflecting a gradual strengthening of consumer confidence.
- ☐ The provision of business and personal services increased slightly during 1984, and is expected to register further improvements with increases in disposable incomes.
- ☐ Mortgage lending in British Columbia increased significantly during the year, more than offsetting a decline in business and personal loan activity.

Trade

Following a difficult first quarter, when retail sales were slowed by the effects of serious work stoppages in the forest industry, consumer spending registered a gradual improvement over the balance of the year. A strengthening of consumer confidence was reflected in the value of new car sales, which were some 18 per cent higher than in 1983. A slight easing in consumer expenditures in the middle of the year was accompanied by a firming of interest rates, reflecting tighter monetary conditions and demand pressures in the United States. However, interest rates resumed a downward trend towards the year end, with a positive effect on consumer spending. Consumer expenditures are expected to display slow but steady growth during 1985 in line with trends in interest rates, employment and disposable incomes.

Retail Sales
in British Columbia



Source: Statistics Canada, 63-005
¹Estimate

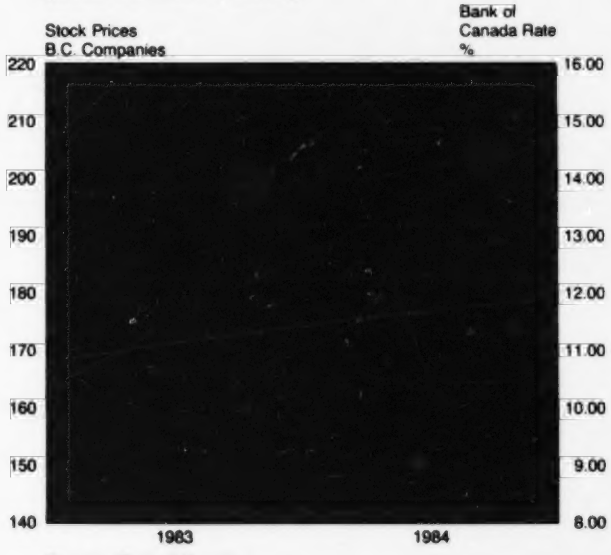
Services

Employment in the services sector picked up slightly during 1984. Accommodation and food services experienced the largest improvement, reflecting the recovery in British Columbia's tourism industry, while gains in employment also occurred for health and welfare services, and in recreation. Increased employment in these industry segments more than offset declines in business services and education. The completion of certain major construction projects, such as the North East Coal Development and B.C. Place Stadium, lowered the overall demand for engineering and ancillary services, but with the major impact of these developments absorbed during 1984, 1985 is expected to witness increased activity including, in particular, spin-off effects generated during the run-up to Expo 86.

Finance

The strength of the U.S. recovery sparked an increase in interest rates during the first half of the year, the Canadian prime rate peaking at 13 1/2 per cent in July and

Interest Rates and Stock Prices
1983-1984
(at or near end of month)



Sources: Bank of Canada
Ministry of Industry and Small Business Development

August before declining to more moderate levels towards year end. The increase in interest rates was accompanied by a decline in trading activity on the Vancouver Stock Exchange from the record level set in the previous year. However, new financings on the VSE amounted to a record $206 million, slightly above the previous year's total. For the third successive year, there was a decline in personal and business loan activity by the chartered banks in British Columbia, but this was more than offset by increased mortgage lending by the banks and other financial institutions.

Interest rates will continue to be a critical factor affecting economic growth during 1985. Substantial progress was achieved during 1984 in reducing inflationary expectations and exerting downward pressure on interest rates. Among the factors contributing to this improvement were the declines in international energy prices, which are not expected to turn around over the near term; a moderate rate of growth of the monetary aggregates; the recognition by both management and labour of the need for productivity improvements to maintain the competitive position of Canadian goods in international markets; and a renewed commitment to deficit reduction by senior levels of government.

Statistical Tables

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TABLE 1

BRITISH COLUMBIA GROSS DOMESTIC PRODUCT AT MARKET PRICES

Year	Current Dollars		Constant 1971 Dollars	
	(Millions)	Per Cent Change	(Millions)	Per Cent Change
1974	17,262	17.6	12,687	5.7
1975	19,053	10.4	12,334	−2.8
1976	22,647	18.9	13,207	7.1
1977	25,269	11.6	13,707	3.8
1978	28,250	11.8	14,503	5.8
1979	32,919	16.5	15,265	5.3
1980	37,496	13.9	16,086	5.4
1981	43,195	15.2	16,731	4.0
1982	44,459	2.9	15,754	−5.8
1983	47,238	6.3	16,014	1.7
1984	49,222e	4.2	16,094e	0.5

e = Ministry of Finance estimate

SOURCE: Central Statistics Bureau, 'British Columbia Economic Accounts'

TABLE 2

LABOUR FORCE, EMPLOYMENT AND UNEMPLOYMENT IN BRITISH COLUMBIA
(thousands)

Year	Labour Force			Employed	Un-employed	Unemploy-ment Rate (%)
	Total	Male	Female			
1975	1,087	680	407	995	92	8.5
1976	1,117	694	422	1,021	96	8.6
1977	1,148	713	435	1,050	98	8.5
1978	1,202	731	471	1,103	99	8.3
1979	1,239	751	488	1,144	95	7.6
1980	1,309	785	516	1,213	88	6.8
1981	1,361	806	555	1,270	91	6.7
1982	1,370	803	567	1,204	166	12.1
1983	1,389	812	577	1,197	192	13.8
1984	1,410	818	592	1,202	208	14.7

SOURCE: Statistics Canada, 71-529

TABLE 3

EMPLOYMENT IN SELECTED INDUSTRIES IN BRITISH COLUMBIA

(thousands of employees)

Year	Forestry[1]	Mining	Manufacturing	Construction	Trade	Services	Public Administration
1975	18.7	13.9	139.7	55.7	155.4	247.4	63.3
1976	21.7	13.2	146.1	52.9	149.8	254.1	65.2
1977	23.0	14.1	151.1	54.0	155.3	270.8	66.3
1978	23.2	14.3	155.5	48.4	161.6	282.9	69.8
1979	24.7	15.0	164.0	55.8	169.2	296.3	69.1
1980	25.2	16.9	161.9	62.8	186.2	313.2	69.6
1981	19.9	18.3	160.7	65.9	189.1	345.4	63.9
1982	17.4	16.2	143.0	52.9	170.8	342.3	65.9
1983[2]	20.1	13.2	137.0	40.1	157.8	323.8	65.0
1984[2]	19.2	13.8	129.9	33.9	163.5	329.3	65.3

[1] Includes logging and forestry services, but excludes forestry-based manufacturing, which is included under the heading— Manufacturing.
[2] 1983 and 1984 values are based on a revised survey frame and modified industry definitions and are not comparable to pre-1983 values.
SOURCE: Statistics Canada, 72-002

TABLE 4

WAGES AND SALARIES IN SELECTED INDUSTRIES IN BRITISH COLUMBIA

(millions of dollars)

Year	Forestry[1]	Manufacturing	Construction	Transport Communication and Utilities	Trade	Services	Public Administration	Total Wages and Salaries
1974	340	1,789	795	1,155	1,277	2,085	634	8,844
1975	319	1,866	980	1,320	1,469	2,521	816	10,200
1976	477	2,291	947	1,545	1,661	2,935	947	11,849
1977	515	2,550	1,116	1,710	1,783	3,299	1,041	13,269
1978	574	2,846	1,147	1,819	1,900	3,548	1,148	14,374
1979	653	3,249	1,302	2,054	2,173	4,019	1,249	16,377
1980	757	3,656	1,640	2,367	2,582	4,742	1,382	19,085
1981	702	3,956	1,998	2,729	2,990	5,606	1,568	21,780
1982	643	3,903	1,715	3,001	2,953	6,296	1,833	22,732
1983	815	4,141	1,659	3,063	2,917	6,376	1,914	23,293
1984	822	4,103	1,453	3,146	3,118	6,472	1,961	23,590

[1] Includes logging and forestry services, but excludes forestry-based manufacturing.
SOURCE: Statistics Canada, 72-005

TABLE 5

AVERAGE WEEKLY EARNINGS IN SELECTED INDUSTRIES IN BRITISH COLUMBIA
(dollars)

Year	Forestry[1]	Mining	Manufacturing	Construction	Trade	Services	Industrial Aggregate
1975	278.13	297.51	252.77	344.41	190.08	149.38	229.97
1976	327.38	330.66	288.34	378.23	212.20	169.32	259.52
1977	350.11	359.60	314.65	424.69	231.00	182.09	284.13
1978	382.21	383.41	339.66	476.66	236.08	189.21	301.26
1979	416.70	426.60	369.52	515.94	256.46	202.50	327.14
1980	479.70	484.36	411.90	546.96	285.31	225.15	363.50
1981	539.22	564.92	458.52	625.30	316.43	252.81	407.03
1982	589.87	616.34	510.82	661.14	342.87	278.97	445.43
1983[2]	*591.40	644.25	522.85	565.54	321.21	344.35	423.56
1984[2]	649.40	704.37	539.34	535.94	332.78	345.80	429.53

[1] Includes logging and forestry services, but excludes forestry-based manufacturing which is included under Manufacturing.
[2] 1983 and 1984 values are based on a revised survey frame and modified industry definitions and are not comparable to pre-1983 values.

SOURCE: Statistics Canada, 72-002

TABLE 6

VALUE OF EXPORTS THROUGH BRITISH COLUMBIA CUSTOMS PORTS[1]
(millions of dollars)

Year	United States	Japan	United Kingdom	Other Countries	Total
1975	2,711	1,770	262	1,616	6,358
1976	3,097	2,029	350	1,960	7,437
1977	3,556	2,127	351	2,257	8,291
1978	4,278	2,504	340	2,643	9,765
1979	5,280	3,394	475	3,574	12,722
1980	5,752	3,618	551	5,045	14,966
1981	6,123	3,791	488	5,557	15,959
1982	6,306	3,739	428	5,223	15,696
1983	6,249	3,903	398	5,142	15,691
1984	6,881	4,730	448	6,194	18,253

[1] Includes all products exported irrespective of province of origin.

SOURCE: Central Statistics Bureau, from unpublished Statistics Canada data

TABLE 7

VALUE OF IMPORTS THROUGH BRITISH COLUMBIA CUSTOMS PORTS[1]
(millions of dollars)

Year	United States	Japan	United Kingdon	Other Countries	Total
1975	1,473	488	74	553	2,589
1976	1,634	715	74	634	3,057
1977	1,761	888	87	792	3,527
1978	2,188	1,229	106	968	4,492
1979	3,070	1,071	126	1,276	5,543
1980	3,220	1,616	121	1,344	6,300
1981	3,770	2,440	125	1,619	7,954
1982	2,797	1,996	82	1,381	6,256
1983	2,772	2,168	76	1,433	6,450
1984	3,232	2,671	95	1,829	7,827

[1] Includes all products imported irrespective of province of destination.

SOURCE: Central Statistics Bureau, from unpublished Statistics Canada data.

TABLE 8

ESTIMATED VALUE OF EXPORTS OF BRITISH COLUMBIA PRODUCTS
THROUGH ALL CANADIAN CUSTOMS PORTS[1]
(millions of dollars)

Year	United States	Japan	United Kingdom	Other[2] E.E.C.	Other Countries	Total
1974	1,921	1,054	325	454	422	4,177
1975	1,886	863	264	457	402	3,872
1976	2,670	1,040	351	630	578	5,270
1977	3,424	1,225	360	648	651	6,308
1978	4,202	1,559	352	712	733	7,558
1979	4,914	2,044	499	1,055	1,001	9,513
1980	4,153	2,182	626	1,348	1,345	9,654
1981	4,055	2,112	554	1,155	1,277	9,153
1982	3,992	2,132	446	976	1,331	8,877
1983	4,961	2,214	451	870	1,429	9,925
1984	5,484	2,915	463	977	1,820	11,659

[1] Estimates based on Statistics Canada province of lading statistics and other adjusted data.

[2] European Economic Community (European Common Market) includes United Kingdom, Ireland, Denmark, Belgium, Luxembourg, France, Federal Republic of Germany, Italy and Netherlands. Greece has been included since 1981.

SOURCE: Ministry of Industry and Small Business Development

TABLE 9

CONSUMER PRICE INDEX — VANCOUVER

(1981 = 100)

Year	Food	Housing	Clothing	Transportation	Health and Personal Care	All Items	Per Cent Change
1975	58.6	59.4	64.5	51.4	60.4	58.6	11.0
1976	61.0	66.7	68.6	60.5	66.0	64.3	9.7
1977	64.7	73.3	72.4	64.0	70.5	68.9	7.2
1978	73.0	78.0	76.0	67.3	74.5	74.3	7.8
1979	81.6	81.6	82.3	73.4	81.0	80.0	7.7
1980	90.1	86.7	92.4	82.2	89.7	87.5	9.4
1981	100.0	100.0	100.0	100.0	100.0	100.0	14.3
1982	108.2	111.7	107.5	112.2	110.8	110.5	10.5
1983	112.8	117.5	111.9	118.7	118.2	116.6	5.5
1984	118.5	120.6	114.8	124.8	122.5	121.3	4.0

SOURCE: Statistics Canada, 62-010

TABLE 10

SELECTED PRICE INDEXES IN BRITISH COLUMBIA

(1971 = 100)

	INDUSTRY SELLING PRICE INDEXES FOR SELECTED COMMODITIES					INPUT PRICE INDEXES FOR CONSTRUCTION	
Year	Hemlock Lumber	Spruce Lumber— B.C. Interior	Spruce & Pine Plywood	Newsprint for Export	Bleached Pulp for Export	Residential	Non-Residential
1975	158.8	125.5	150.2	180.3	243.2	142.0	150.7
1976	173.5	152.6	167.2	180.3	233.2	157.9	165.3
1977	204.0	182.3	170.1	200.4	237.3	175.0	177.5
1978	239.2	238.6	212.6	228.2	216.7	192.3	190.6
1979	315.3	270.8	222.6	258.3	285.7	211.1	211.4
1980	289.1	206.8	219.8	288.5	348.3	219.6	231.0
1981	251.5	187.4	257.8	332.2	367.1	244.2	254.1
1982	247.1	164.7	201.8	356.1	344.9	257.3	278.7
1983	269.1	216.2	244.1	319.0	296.6	279.4	296.3
1984	254.3	196.0	218.8	351.7	373.5	282.9	304.1

SOURCE: Statistics Canada, 62-010

TABLE 11

LOG PRODUCTION IN BRITISH COLUMBIA

(millions of cubic metres)

Year	Coast	Interior	Province
1975	21.4	28.7	50.1
1976	32.2	37.3	69.5
1977	28.6	41.4	70.0
1978	32.3	42.8	75.2
1979	30.6	45.6	76.2
1980	30.7	43.9	74.7
1981	22.5	37.0	59.5
1982	21.4	34.9	56.2
1983	26.8	44.6	71.4
1984	27.2	47.4	74.6

SOURCE: Ministry of Forests, as indicated by timber scaled

TABLE 12

LUMBER AND PLYWOOD PRODUCTION IN BRITISH COLUMBIA

(thousands of cubic metres)

	LUMBER			PLYWOOD
Year	Coast	Interior	Province	Softwood
1975	5,901	11,668	17,569	1,580
1976	9,409	15,665	25,075	1,939
1977	10,614	17,764	28,378	2,074
1978	11,316	18,254	29,570	2,221
1979	10,989	19,369	30,357	2,056
1980	10,022	18,186	28,207	1,916
1981	8,145	16,402	24,547	1,702
1982	7,084	16,383	23,467	1,430
1983	9,768	21,009	30,777	1,763
1984	9,210	21,651	30,861	1,552

SOURCE: Statistics Canada, 35-001, 35-003 and 35-204

TABLE 13

PULP AND PAPER PRODUCTION IN BRITISH COLUMBIA

(thousands of metric tonnes)

Year	Wood Pulp[1]	Paper[2]
1975	3,998	1,477
1976	5,320	1,977
1977	4,831	1,952
1978	5,426	2,137
1979	5,523	2,154
1980	5,783	2,147
1981	4,995	1,926
1982	4,938	1,858
1983	5,572	2,158
1984	5,189	2,086

[1] Includes pulp for export and use in B.C. paper production.
[2] Includes newsprint, other paper and paperboard.

SOURCE: 1974 to 1982, Statistics Canada, 36-204
1983 and 1984, Canadian Pulp and Paper Association

TABLE 14

VALUE OF METAL PRODUCTION IN BRITISH COLUMBIA

(millions of dollars)

Year	Copper	Silver	Gold	Zinc	Molybdenum	Lead	Other	Total
1975	332	31	25	81	71	24	23	587
1976	379	33	22	65	94	33	21	647
1977	385	38	32	61	142	42	14	714
1978	432	45	48	52	168	52	23	820
1979	656	95	104	62	321	88	25	1,351
1980	671	157	170	49	289	66	27	1,429
1981	611	152	136	67	198	62	21	1,247
1982	495	158	118	64	155	43	24	1,057
1983	560	180	131	80	88	49	18	1,104
1984[1]	515	122	119	113	108	37	13	1,027

[1] Estimated

SOURCE: Ministry of Energy, Mines and Petroleum Resources

TABLE 15

VALUE OF MINERAL PRODUCTION IN BRITISH COLUMBIA

(millions of dollars)

Year	Metals	Coal	Natural Gas to Pipeline	Crude Oil	Industrial Minerals	Other	Total
1975	587	317	215	94	49	102	1,364
1976	647	299	288	117	53	116	1,520
1977	714	329	397	133	79	136	1,788
1978	820	382	401	145	59	165	1,972
1979	1,351	439	700	169	84	206	2,949
1980	1,429	461	613	190	116	268	3,077
1981	1,247	554	617	236	122	233	3,009
1982	1,057	567	543	334	96	200	2,797
1983	1,104	556	455	402	89	251	2,857
1984[1]	1,027	914	516	434	132	264	3,285

[1] Estimated.

SOURCE: Ministry of Energy, Mines and Petroleum Resources

TABLE 16

DISTRIBUTION OF BRITISH COLUMBIA NATURAL GAS

(millions of cubic metres)

Year	Deliveries to B.C. Distributors	Deliveries to Exports[1]	Total Deliveries[1]
1974	3,717	6,563	10,280
1975	4,239	6,011	10,250
1976	3,977	6,041	10,018
1977	3,957	6,503	10,459
1978	4,044	5,882	9,926
1979	4,361	6,714	11,075
1980	4,519	4,376	8,895
1981	4,328	3,805	8,133
1982	4,695	2,320	7,015
1983	4,609	2,147	6,756
1984	4,972	2,277	7,249

[1] Includes gas originating in NWT for the years 1974 to 1981 inclusive.

SOURCE: Ministry of Energy, Mines and Petroleum Resources

TABLE 17

CRUDE OIL PRODUCTION IN BRITISH COLUMBIA
(thousands of cubic metres)

Year	Crude Oil	Condensates	Total Production
1974	2,994	195	3,189
1975	2,269	201	2,470
1976	2,366	186	2.552
1977	2,199	205	2,404
1978	2,004	181	2,185
1979	2,140	217	2,357
1980	2,003	170	2,173
1981	2,036	153	2,189
1982	2,078	156	2,234
1983	2,079	132	2,210
1984	2,094	146	2,240

SOURCE: Ministry of Energy, Mines and Petroleum Resources

TABLE 18

SALES OF MOTOR GASOLINE IN BRITISH COLUMBIA
(millions of litres)

Total	Premium	Regular		Total Sales
		Leaded	Unleaded	
1975				3,589
1976				3,645
1977				3,800
1978				4,037
1979				4,205
1980				4,409
1981	299	3,079	1,003	4,381
1982	322	2,775	938	4,035
1983	300	2,584	915	3,799
1984	295	2,469	965	3,728

SOURCE: Statistics Canada, 45-004

TABLE 19

SUPPLY AND DISPOSAL OF ELECTRICAL ENERGY IN BRITISH COLUMBIA

(gigawatt hours[1])

Year	SUPPLY					DISPOSAL	
	Net Generation			Receipts From Other Provinces and Imports	Total B.C. Supply	Delivered To Other Provinces and Exports	Total B.C. Demand
	Hydro	Thermal	Total				
1974	34,367	1,889	36,256	709	36,965	2,977	33,988
1975	31,028	3,514	34,542	1,301	35,843	3,154	32,689
1976	36,986	1,974	38,961	1,200	40,161	3,305	36,856
1977	41,241	1,945	43,185	1,007	44,192	5,749	38,444
1978	40,612	1,825	42,437	1,521	43,958	3,934	40,024
1979	40,958	2,286	43,244	1,737	44,981	3,656	41,325
1980	40,860	2,474	43,334	2,823	46,157	3,454	42,702
1981	49,408	1,600	51,008	1,158	52,166	8,987	43,180
1982	46,127	2,111	48,238	2,308	50,545	6,615	43,931
1983	44,911	2,302	47,213	2,445	49,658	4,975	44,683
1984	50,243	2,126	52,369	1,556	53,925	8,313	45,612

[1] Gigawatt hour = 1 million kilowatt hours.

SOURCE: Statistics Canada, 57-001 and 57-202

TABLE 20

WHOLESALE AND LANDED VALUE OF FISH PRODUCTS IN BRITISH COLUMBIA

(millions of dollars)

Year	WHOLESALE MARKETED VALUE					LANDED VALUE[1]
	Salmon	Halibut	Herring	Other	Total	
1974	166	6	30	18	220	100
1975	100	10	35	19	164	77
1976	187	15	66	27	295	139
1977	228	10	90	32	360	165
1978	304	13	155	39	511	244
1979	290	18	202	54	563	330
1980	289	10	48	55	402	181
1981	374	11	82	57	524	232
1982	315	5	86	54	461	236
1983	284	9	111	60	465	198
1984	276	12	99	73	460	236

[1] Excludes halibut and tuna landings by B.C. fishermen at United States ports and hake sold to foreign processors.

SOURCE: Ministry of Environment, Marine Resources Branch.

TABLE 21

FARM CASH RECEIPTS IN BRITISH COLUMBIA

(millions of dollars)

Year	CROPS		OTHER				TOTAL FARM CASH RECEIPTS
	Fruits and Vegetables Including Potatoes	Grain and Other Crops	Dairy Products	Poultry and Eggs	Other Livestock and Products	Other	
1975	73	54	103	72	92	29	422
1976	82	63	108	84	87	51	475
1977	101	73	116	85	83	49	509
1978	129	81	125	95	120	30	580
1979	140	98	146	116	154	15	670
1980	147	124	174	120	175	29	769
1981	168	157	196	143	178	49	890
1982	186	133	217	136	202	68	943
1983	179	128	217	137	191	46	898
1984	185	143	228	151	213	51	971

SOURCE: Statistics Canada, 21-001 and 21-202.

TABLE 22

PRINCIPAL STATISTICS OF MANUFACTURING INDUSTRIES IN BRITISH COLUMBIA

Year	MANUFACTURING ACTIVITY				TOTAL ACTIVITY	
	Establishments	Materials and Supplies Used	Value Added	Value of Shipments	Salaries and Wages	Total Employees
	(number)	(millions of dollars)				(thousands)
1974	3,309	4,013	3,300	7,411	1,699	144
1975	3,131	3,884	3,285	7,326	1,804	137
1976	3,025	4,773	4,007	8,857	2,173	141
1977	2,899	5,357	4,499	10,058	2,407	142
1978	3,478	6,539	5,432	12,223	2,776	154
1979	3,822	8,137	6,331	14,628	3,163	159
1980	3,875	9,032	6,567	15,893	3,556	160
1981	3,874	9,827	6,643	16,798	3,881	159
1982	3,919	9,074	5,918	15,690	3,807	141

SOURCE: Statistics Canada, 31-203

TABLE 23

MANUFACTURING SHIPMENTS FOR SELECTED INDUSTRY GROUPS IN BRITISH COLUMBIA
(millions of dollars)

Year	Wood	Paper and Allied	Food and Beverages	Petroleum and Coal Products	Primary Metals	Metal Fabricating	Total All Industries
1975	1,811	1,476	1,204	542	367	399	7,326
1976	2,643	1,856	1,297	604	414	404	8,856
1977	3,261	1,790	1,520	749	530	443	10,060
1978	4,142	2,061	1,784	878	624	560	12,235
1979	4,841	2,537	2,064	1,069	703	683	14,631
1980	4,522	3,084	2,172	1,312	913	837	15,896
1981	4,138	2,898	2,486	1,858	886	944	16,810
1982	3,531	2,742	2,505	2,119	688	745	15,377
1983	4,787	2,793	2,558	2,156	781	768	16,812
1984	4,624	3,107	2,678	2,073	938	777	17,551

SOURCE: Statistics Canada, 31-001

TABLE 24

CAPITAL AND REPAIR EXPENDITURES IN BRITISH COLUMBIA
(millions of dollars)

Year	Construction	Machinery and Equipment	Total
1975	3,540.0	2,283.6	5,823.6
1976	4,260.5	2,546.1	6,806.6
1977	4,492.7	2,930.0	7,422.7
1978	4,933.0	3,325.4	8,258.4
1979	5,634.1	4,036.0	9,670.1
1980	7,239.9	4,942.5	12,182.4
1981	9,084.4	5,796.9	14,881.3
1982	7,673.4	5,373.5	13,046.9
1983	8,038.5	4,526.5	12,565.0
1984[1]	6,922.7	4,978.6	11,901.3

[1] Preliminary.

SOURCE: Statistics Canada, 61-205 and 61-206

TABLE 25

CAPITAL AND REPAIR EXPENDITURES IN BRITISH COLUMBIA BY SECTOR
(millions of dollars)

Year	Primary Industries & Construction	Manufac-turing	Utilities	Trade, Finance & Commercial	Institutions and Government	Housing	Total
1975	754.1	723.5	1,532.8	640.2	919.2	1,253.8	5,823.6
1976	1,016.3	839.1	1,524.7	659.7	1,002.3	1,764.5	6,806.6
1977	1,190.1	1,023.4	1,623.1	739.4	1,132.9	1,713.8	7,422.7
1978	1,375.8	1,145.8	1,869.7	928.8	1,158.8	1,779.5	8,258.4
1979	1,860.9	1,430.3	2,155.1	1,130.6	1,174.1	1,869.1	9,670.1
1980	2,639.0	1,977.4	2,293.9	1,387.2	1,413.3	2,471.6	12,182.4
1981	2,622.3	2,501.5	2,916.2	1,743.5	1,632.6	3,465.2	14,881.3
1982	2,363.4	1,736.5	3,564.1	1,389.3	1,575.1	2,418.5	13,046.9
1983	2,400.5	1,172.5	3,330.0	1,457.9	1,744.8	2,459.3	12,565.1
1984[1]	1,917.4	1,384.0	2,909.7	1,802.5	1,775.6	2,112.1	11,901.3

[1] Preliminary.

SOURCE: Statistics Canada, 61-205 and 61-206

TABLE 26

DWELLING STARTS BY TYPE IN BRITISH COLUMBIA
(number of dwellings)

Year	Single Detached	Two-Family	Row	Apartment and Other	Total
1975	18,616	1,565	3,300	10,671	34,152
1976	20,247	1,723	3,263	12,494	37,727
1977	15,501	1,535	3,124	12,198	32,358
1978	18,195	1,374	2,687	6,362	28,618
1979	17,792	780	1,993	6,780	27,345
1980	22,600	989	2,243	11,714	37,546
1981	19,193	1,245	4,741	16,406	41,585
1982	7,350	611	2,978	8,868	19,807
1983	15,137	445	1,966	5,059	22,607
1984	9,164	337	1,601	5,067	16,169

SOURCE: Statistics Canada, 64-002

TABLE 27

VALUE OF BUILDING PERMITS ISSUED IN BRITISH COLUMBIA

(millions of dollars)

Year	Residential	Non-Residential	Total
1974	763	497	1,260
1975	971	568	1,540
1976	1,115	690	1,806
1977	1,050	701	1,751
1978	958	698	1,655
1979	1,207	928	2,134
1980	1,744	1,207	2,951
1981	2,221	1,335	3,556
1982	1,135	1,026	2,161
1983	1,463	775	2,238
1984	1,177	827	2,004

SOURCE: Statistics Canada, 64-001 and 64-203

TABLE 28

INTERNATIONAL AND DOMESTIC SHIPPING IN BRITISH COLUMBIA

(thousands of metric tonnes)

	INTERNATIONAL		DOMESTIC	
Year	Loaded	Unloaded	Loaded	Unloaded
1974	32,593	5,058	12,355	11,448
1975	31,228	4,026	9,715	9,532
1976	33,376	4,240	11,098	11,004
1977	36,720	4,322	12,007	11,855
1978	39,884	4,693	16,384	16,084
1979[1]	48,147	6,123	31,049	30,925
1980	52,181	5,374	33,838	33,390
1981	53,419	5,997	26,055	25,950
1982	51,077	3,994	23,421	23,374
1983	57,095	4,175	19,876[2]	19,876[2]

[1] Data for the years 1979 to 1982 are not comparable with previous years due to revised methodology.
[2] Preliminary.

SOURCE: Statistics Canada, 54-209 and 54-211

TABLE 29

MOTOR VEHICLE LICENCES IN BRITISH COLUMBIA

(thousands)

Year-end	Passenger Vehicles	Commercial Vehicles	Total Vehicles[1]
1975	884	283	1,167
1976	912	309	1,220
1977	989	354	1,343
1978	1,060	392	1,453
1979	1,126	427	1,553
1980	1,181	449	1,630
1981	1,145	427	1,573
1982	1,160	436	1,596
1983	1,190	448	1,638
1984	1,170	435	1,605

[1] Excludes motorcycles and trailers.

SOURCE: Ministry of Transportation and Highways

TABLE 30

UNITED STATES AUTOMOBILES ENTERING BRITISH COLUMBIA

(thousands)

Year	Enter and Depart on Same Day	Stay One or More Nights	Total
1975	550	505	1,055
1976	518	470	988
1977	549	472	1,021
1978	565	497	1,062
1979	613	460	1,073
1980	766	460	1,226
1981	717	460	1,177
1982	646	440	1,085
1983	689	490	1,179
1984	673	504	1,177

SOURCE: Statistics Canada. 66-001

TABLE 31

RETAIL SALES IN BRITISH COLUMBIA

(millions of dollars)

Year	Chain Stores	Independent Stores	All Stores
1975	2,777	3,160	5,938
1976	2,948	3,726	6,675
1977	3,230	4,054	7,284
1978	3,622	4,605	8,227
1979	4,138	5,057	9,195
1980	4,571	6,001	10,572
1981	5,216	6,784	12,000
1982	5,405	6,362	11,766
1983	5,712	6,545	12,257
1984	6,207	6,797	13,005

SOURCE: Statistics Canada, 63-005

TABLE 32

PERSONAL INCOME IN BRITISH COLUMBIA

Year	TOTAL PERSONAL INCOME (millions of dollars)	PERSONAL INCOME PER PERSON (dollars)
1974	13,687	5,761
1975	15,787	6,489
1976	18,098	7,336
1977	20,280	8,112
1978	22,806	8,972
1979	25,974	10,032
1980	30,253	11,348
1981	35,443	12,917
1982	38,591	13,827
1983	40,523	14,365
1984	41,536	14,498

SOURCE: Statistics Canada, 13-201

TABLE 33

CHEQUES CASHED AGAINST INDIVIDUAL ACCOUNTS AT CLEARING CENTRES IN BRITISH COLUMBIA

(billions of dollars)

Year	Vancouver	Victoria	Total
1975	133	31	164
1976	161	33	194
1977	172	36	208
1978	191	42	233
1979	229	58	287
1980	305	78	383
1981	388	131	519
1982	324	164	488
1983	335	188	524
1984	375	344	719

SOURCE: Statistics Canada, 61-001

TABLE 34

POPULATION OF BRITISH COLUMBIA

(thousands)

Year	Population[1]	Per Cent Change
1975	2,433.2	2.42
1976[2]	2,466.6	1.37
1977	2,499.4	1.33
1978	2,542.3	1.72
1979	2,589.4	1.85
1980	2,666.0	2.96
1981[2]	2,744.2	2.93
1982	2,791.1	1.71
1983	2,820.0	1.25
1984	2,865.1	1.58

[1] As of June 1st.
[2] Census years.

SOURCE: Statistics Canada, 91-201

TABLE 35

BIRTHS, DEATHS AND MARRIAGES IN BRITISH COLUMBIA

Year	BIRTHS		DEATHS		MARRIAGES
	Number	Per Thousand People	Number	Per Thousand People	Number
1975	36,281	14.9	19,151	7.9	21,824
1976	35,848	14.5	18,788	7.6	21,536
1977	36,691	14.7	18,596	7.4	21,156
1978	37,231	14.6	19,058	7.5	21,388
1979	38,432	14.8	19,204	7.4	22,087
1980	40,104	15.0	19,371	7.3	23,830
1981	41,474	15.1	19,857	7.2	24,699
1982	42,747	15.4	20,707	7.4	23,831
1983	42,980	15.2	19,660	7.0	23,514
1984[1]	44,236	15.4	20,902	7.3	23,062

[1] Preliminary.

SOURCE: Statistics Canada, 84-204 and 84-205 for 1974 to 1982
Ministry of Health, Division of Vital Statistics for 1983 and 1984

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